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NEWS SUMMARY

GENERAL

Belgian Prime Minister resigns

Belgian Finance Minister Mark Eyskens was asked by King Baudouin yesterday to form a government after the resignation of Prime Minister Wilfried Martens was accepted.

Mr. Eyskens, a Flemish Social Christian, has accepted the task but Mr. Martens, a member of the same party, will continue as caretaker Premier until it is carried out.

Mr. Martens offered to resign on Tuesday after his coalition government split over his proposal for an immediate wage freeze.

Polish IMF talks

Poland is to begin discussions aimed at rejoining the International Monetary Fund, which it left in 1950 on Stalin's orders. Back Page

Reagan doing well

An opinion poll showed an 11 percentage point jump in approval for President Reagan, who was in "good spirits" after Monday's assassination attempt.

Long debate

The British Telecommunications Bill passed through the Commons intact after a 25-hour sitting. A day's business was lost. Back Page

Beirut clashes

Fierce fighting between Christians and Syrian troops erupted in Beirut as U.S. Secretary of State Alexander Haig prepared for a Middle East tour. Page 5

Cartel 'near end'

The building society interest rate cartel may not last much longer, the societies association chairman said. Page 10

Thai compromise

Signs of compromise appeared in Thailand between rebels and Government forces in the army after Tuesday's coup attempt. Page 5

Activist sentence

Human rights activist Tatyana Osipova was sentenced in Moscow to five years in a labour camp and five years' internal exile for anti-Soviet agitation.

Arms sale boost

Arms sales worth several hundred million pounds are likely as a result of Defence Secretary John Nott's visit to the Gulf States. Page 8

Junks flee jolt

Hong Kong turned away Chinese junks after rumours of an imminent mainland earthquake triggered a mass exodus.

Student protest

Malaysia is to stop sponsoring students to Britain because of the rse in overseas student fees caused by Government spending cuts.

Pay TV delay

Plans to introduce subscription (pay) television were postponed until late summer. Page 10

Landing strip

Police caught a man who took his clothes off on a jet at Heathrow airport and then streaked across the tarmac.

Briefly . . .

Ex-Beatle Ringo Starr was sued by Nancy Andrews for \$5m (£2.2m) and half the assets they acquired while living together.

Archbishop of Canterbury said it was hard to justify preventing women becoming priests.

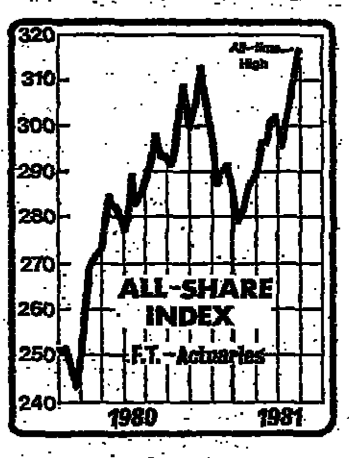
British ate less last year than in 1979. Page 10

World population was 4.437bn last year and may be 8.3bn in 2025, UN said.

BUSINESS

All-share index hits record high

● EQUITIES continued their advance, as hopes rose for another cut soon in MLR. The FT-Actuaries All-share index gained 1.8 per cent to 317.01, an all-time high. The FT 30-share index rose 12.1 to 541.9. Page 36



● GILTS remained firm, with the Government Securities Index down 0.03 at 70.10. Page 36. Market shrugs off Civil Service dispute: Back Page

● STERLING fell 1 cent to \$2.2290, and lost ground against European currencies, closing at DM 4.7025 (DM 4.71) and SwFr 4.29 (SwFr 4.3050). Its trade-weighted index was 100.1 (100.2). Page 33

● DOLLAR gained ground, closing at DM2.1090 (DM2.1030), SwFr 1.9240 (SwFr 1.9210), and Y213.90 (Y212.20). Its trade-weghteld index was 100.2 (100.0). Page 33

● GOLD rose \$3 in London to \$520.5. Page 33

● WALL STREET was 2.61 lower at 1,011.33 before the close. Page 34

● UK'S OFFICIAL GOLD and foreign currency reserves fell \$222m to \$28.21bn at the end of March. Page 10

● ZINC producer Noranda raised its European price from \$825 to \$875 a tonne. Other companies are expected to follow quickly. Page 35

● FRENCH PORTS are investing heavily in new coal terminals to cater for an expected surge in coal imports. Page 6

● POWER manual workers' union leaders agreed to a 13 per cent pay offer, giving average rises of £10-£12 a week.

COMPANIES

● WEST GERMAN companies have won a string of construction orders from Iraq worth a total of at least £300m. Page 6

● MATRA of France and Intel of the U.S. agreed on a joint electronic components venture. Page 31

● CSR, the Australian-based industrial group, will sell the construction arm of Thiess Holdings to a consortium of Australian and international companies. Page 32

● ROLLS-ROYCE has won certification of a new, more powerful version of its RB-211 engine.

● LEYLAND BUS launches its Tiger long-distance coach today, completing the updating of its range. Page 8

● THOMAS TILLING, the industrial holding group, has bought a 75 per cent interest in a Singapore-based distributor of oilfield equipment. Page 27

● CREDIT LYONNAIS, the nationalised French bank, lifted its non-consolidated net earnings last year by 60 per cent to FFr 476m (£42.8m). Page 31

● CARPETS INTERNATIONAL reported a £6.37m pre-tax loss for 1980, against £2.02m profit. Page 24; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
BICC	248	+ 16
Berisford (S. & W.)	123	+ 10
British Aerospace	206	+ 11
Bruntons (Musselb.)	106	+ 13
Davis (Godfrey)	96	+ 8
Dewhirst (I. J.)	79	+ 6
Distillers	198	+ 6
Glaxo	322	+ 14
Grampian	63	+ 8
GRE	362	+ 14
GKN	152	+ 7
Hawker Siddeley	332	+ 14
ICI	258	+ 14
JB Holdings	70	+ 12
Johnson Grp. Clnrs.	213	+ 21
Linfood	155	+ 11
Lucas Inds.	204	+ 7
Morrison (Wm.)	262	+ 30
Northern Eng.	87	+ 5
Powell Duffryn	252	+ 15
Reckitt & Colman	246	+ 8
Sketchley	259	+ 8
Spring Grove	112	+ 8
Standard Telephones	540	+ 25
Sun Alliance	849	+ 27
Tate and Lyle	180	+ 7
Tex Abrasives	42	+ 7
Thorn EMI	346	+ 10
Turner and Newall	92	+ 6
BP	390	+ 18
Global Nat. Res.	790	+ 145
Shell Transport	378	+ 12
Hammersley	235	+ 80
Hemerdon Min. Sm.	95	+ 15
MIM Hldgs.	236	+ 11
Nthn. Mining (p.p.)	172	+ 17
FALLS		
BPC	15½	— 2
Desoutter Bros.	108	— 8
Weir Group	20	— 3
Minerco	665	— 35

Reynolds cigarette company in talks with Rothmans

BY DAVID CHURCHILL IN LONDON AND DAVID LASCELLES IN NEW YORK

TWO of the world's largest cigarette companies, R. J. Reynolds Industries of the U.S. and the UK-based Rothmans International, are holding what they describe as "exploratory talks" to establish "a basis of co-operation between the two groups."

The talks were revealed yesterday in both the U.S. and the UK. The news sent Rothman International shares to a high for the year of 60p in London, following a steady rise since the middle of last week when bid speculation fuelled heavy buying. They had languished at around 47p for most of the year.

Neither company would comment beyond the official statement. The talks are believed, however, to have been initiated by Reynolds and so far to have involved only a few senior executives on each side, including Mr. Paul Sticht, president of Reynolds, and Dr. Anton Rupert, chairman of the South African Rembrandt group. Dr. Rupert's interests have effective control of Rothmans.

Mr. Dirk Hertzog, deputy chairman of Rembrandt Group, confirming the statement by R. J. Reynolds, said in South Africa last night: "If public inquisitiveness or interest had to be satisfied, business negotiations would be impossible."

The formal statement from Reynolds and Rothmans said that the preliminary talks "could lead to definitive proposals being made to the Boards of both companies."

Rothmans' UK brands include Dunhill and Peter Stuvysant, while Reynolds' main brands include Winston, Camel and Salem. In its last financial year, Rothmans' sales totalled £2.5bn, with its tobacco interests accounting for 90 per cent. It also has Canadian brewing interests and sells luxury consumer products under the Dunhill name.

Some 56 per cent of Rothmans sales are in Europe, with West Germany accounting for the largest share. North and South America account for 25 per cent of its sales, Asia for 15 per cent and Africa for 4 per cent.

Reynolds has been keen for some time to expand its overseas business. In its 1980 annual report released this week it said that "in our international tobacco business, the prospects for cigarette unit volume growth are brighter in many markets than in the U.S." Reynolds' overseas gains have been particularly strong in Europe and Canada.

Reynolds' overseas sales last year were \$2.09bn (£938m), a 12 per cent rise on 1979. Total sales were \$10.35bn. International tobacco operating profits were up by 19 per cent to \$177.2m.

Apart from its U.S. and international tobacco interests, Reynolds earns about a fifth of its sales from the food and drink industries and about 14 to 15 per cent from transportation.

The preliminary talks between the two companies are expected to take at least another two to three weeks to

Continued on Back Page
Lex, Back Page

Tax policies 'pose threat to oil and gas supplies'

BY RAY DAFTER, ENERGY EDITOR

SIR DAVID STEEL, chairman of British Petroleum, the UK's largest industrial concern, says Government taxation policies will hit long-term oil and gas supplies.

Sir David said yesterday that the company was reviewing some of its investment plans. He said Budget proposals would add £300m to BP's tax payments this year.

"We have not yet made any decision to cut back but that does not mean we won't," he said.

A decision to shelve an offshore project could come within the next few months. Much would depend on discussions with the Government over future taxation policies.

Sir David was commenting on the company's annual report in which he says: "The maintenance of North Sea oil and gas supplies is going to require heavy investment. If the financing of that investment is continually disrupted at short notice, oil and gas supplies a decade away will suffer in consequence."

BP limits oil output in Forties Field, Page 10
Joseph hints at continued aid for industry, Back Page

BP, which traded at a cash deficit last year, is planning to reduce its stocks by 3m tonnes during 1981 to generate £350m to £400m in working capital. Directors say very high stocks are not warranted in the trading conditions.

BP is still planning to steer much of its 1981 investment to UK offshore projects like the Magnus Field. The corporation is planning to invest a total of £2bn in addition to the £1bn earmarked by its U.S. affiliate, Standard Oil of Ohio.

More than half of the £2bn will be spent in the UK with nearly £600m going on North Sea exploration and production. The group is planning to spend £90m—and £500m over the 1980–85 period—on its growing minerals business.

Sir David, speaking of the company's diversification, said oil and gas activities provided little scope for growth. BP was taking the "logical" step of moving into related areas, in particular into other energy fields, extractive industries and into natural resources generally.

BP's assets in 10 years time (compared with 1980) should lie in the following areas: oil and gas, 50 per cent (83 per cent last year); chemicals, 10 to 12 per cent (9 per cent); coal, 8 per cent (2.5 per cent); and minerals, 8 per cent (3 per cent).

The company, which last year reported net income of £1.4bn compared with £1.6bn in 1979, has been hit by falling demand

Schmidt attacks UK tactics

BY ROGER BOYES IN BONN

CHANCELLOR SCHMIDT of West Germany rebuked Britain yesterday for her attitude to the Common Market and showed his displeasure at recent events by threatening to reduce West Germany's future contributions to the Community Budget.

Complaining that he was "profoundly disappointed" by the UK's tactics, Herr Schmidt declared that Bonn would demand that its "net contribution be limited just like England's.

"We cannot allow a situation to continue whereby we pay the highest net amount [to the budget] while others treat us so unfairly on fish, steel and other matters," he told the West German Parliament.

Herr Schmidt's comments reflect his deep discontent with developments in the Community, and what he describes as the triumph of "national egotism over European solidarity."

However, it is difficult to see how he can reduce his net contribution except within the framework of a complete overhaul of the costly Common Agricultural Policy.

He was studiously vague about when such reductions could be brought about, reinforcing the impression that for the moment he was indulging only in sabre-rattling.

The Chancellor dashed any hopes that the budget might be increased by larger contributions from value-added tax.

He would not consider, he stressed, even in 1982, the budget's going beyond the present ceiling of 1 per cent of member-States' VAT "take."

The Chancellor again said that when Britain secured her Community budget rebate last May she made a "gentlemans' agreement" to reach accord on fish.

Britain blames France for the delay, which has effectively denied German deep-sea fishermen access to this winter's profitable cod catch off Canada.

Last year's budget settlement meant that Britain's contribution in 1981 fell from the scheduled DM 5.37bn to DM 1.69bn (£1.1bn to £359m) while Bonn's contribution rose from the original DM 3.4bn to DM 4.9bn.

Partly to finance this the Bonn Government had to take an unpopular step and raise petrol tax from April 1, a point stressed by the Chancellor yesterday.

Count Otto Lambsdorff, the Economics Minister, added textile subsidies to the list of complaints that Bonn has compiled against European competitors.

Plans to subsidise the textile industries in European Community countries could threaten the 550,000 jobs in the (largely unsubsidised) German textile sector, the Minister said.

Bonn intends to press the Community to act against such subsidies and ensure that they do not break EEC rules on competition.

Count Lambsdorff's point is

Continued on Back Page
CAP cost may go up £1bn, Back Page

£ in New York

—	Apr. 1	Previous
Spot	\$2.2430-2445	\$2.2360-2380
1 month	0.20-0.27 pm.	0.43-0.50 pm.
3 months	1.00-1.10 pm.	1.25-1.35 pm.
12 months	4.10-3.30 pm.	4.60-4.80 pm.

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Foot asks Benn not to stand

BY RICHARD EVANS, LOBBY EDITOR

THE LABOUR Party was thrown into renewed turmoil yesterday when Mr. Tony Benn announced that he intends to stand against Mr. Denis Healey for the Party's deputy leadership and by the prospect of six months of divisive campaigning.

Mr. Michael Foot, Opposition Leader, having sought unsuccessfully to dissuade Mr. Benn from standing, issued an icy statement that it would be in the best interests of the Party to have no leadership contest this year.

He called on Mr. Benn to reconsider his decision and has given his support to a pressure campaign from MPs and trade union leaders to persuade him to back down. But there is virtually no chance that this will succeed.

Mr. Benn announced his decision at 3.30 am yesterday during the all-night Commons sitting. He said he had decided to accept nomination because the election "would give the Party an opportunity to discuss policy and to commit the parliamentary leadership to a fundamental and irreversible shift in the balance of wealth and power."

Mr. Benn received the backing of 16 MPs—more than the 5 per cent of the Parliamentary Labour Party necessary for nomination. They included Mr. Norman Atkinson, the party treasurer, Mr. Dennis Skinner, Miss Jo Richardson and Miss Joan Maynard, all members of Labour's National Executive Committee, and other prominent left wingers including Mr. Ian Mikardo and Mr. Michael Meacher.

Some MPs believe the unusual timing of Mr. Benn's move was because other members of the left-wing Tribune group were already planning a meeting when pressure would be exerted to prevent a contest. It would have been difficult for Mr. Benn to have acted against majority opinion in the group.

Mr. Benn intends to focus his campaign on five major points, the need for measures to restore full employment, the expansion of public services, the abandonment by Britain of nuclear weapons, and withdrawal from the European Community.

Labour leaders, including Mr. Foot, fear the next six months will see the Labour mevement, including the trade unions, plunged into further internecine warfare as the campaigning gains momentum.

The leadership's hope was that, following the defection of right wingers to the Social Democratic Party, the way would be open for the restoration of some semblance of unity and the concentration of party energies against the Government.

The contest for the deputy leadership will take place on Sunday, September 27, on the eve of Labour's annual conference at Brighton. It will be the first test for the controversial electoral rules passed in January which give the trade unions 40 per cent of the vote and the Parliamentary Labour Party and local constituency parties 30 per cent each.

Following Mr. Benn's move there are almost certain to be other candidates in the field, including Mr. Eric Heffer

Toshiba to reopen plant

BY GUY DE JONQUIERES

TOSHIBA, the Japanese electronics manufacturer, will relaunch television production early next month at the Plymouth factory formerly owned by Rank-Toshiba, a joint venture with the Rank Organisation.

It will employ only 300 people instead of the 2,700 who worked at Rank-Toshiba's plants in Plymouth and Redruth, Cornwall, before they were closed earlier this year.

The announcement of the re-launch was welcomed by Mr. Roy Sanderson, National Officer of the Electrical, Electronic, Telecommunication and Plumbing Union, which has secured sole bargaining rights with Toshiba.

The union has concluded a novel agreement with Toshiba which provides for the creation of a supervisory board elected from the staff. Its members will have access to all company information and will have primary responsibility for handling staff relations.

All Toshiba employees will enjoy the same terms of employment and facilities. Mr. Sanderson said the agreement featured some of the best industrial relations practices in Britain.

Toshiba plans to make 100,000 colour sets in its first year of operation, using highly-automated assembly equipment of Japanese design installed by Rank-Toshiba two years ago. Some components will be British, though Toshiba will import tubes from Japan.

The company, which plans to invest a further £3m in the venture, expects it to be profitable within two years. Rank-Toshiba, in which it had a 30 per cent stake, lost about £6m last year on an output of 250,000 televisions.

Toshiba salvage mission, Page 10

Oilman's new bid for Fox accepted

By Paul Betts in New York

A RENEWED \$700m cash offer for Twentieth Century Fox — Film Corporation — from Mr. Marvin Davis, the oil billionaire from Denver, was acepted yesterday, barely a week after he said he was withdrawing his bid.

After a day of intensive negotiations betwen Mr. Davs and Mr. Dennis Stanfill, Fox chairmain, the film company said it had agreed in principle to "a proposal to merge Fox with a company owned by Mr. Davis and his family."

The deal ends six days of Hollywood-style melodrama.

Mr. Davis originally offered to buy Fox, one of Hollywood's famous names, for just over \$700m in a bid for all Fox's outstanding stock valued at \$60 a share. This offer was acepted by the film company and Chris-Craft Industries, it largest shareholder, which owns 22 per cent.

Mr. Davis' decision suddenly to pull out without explanation came as a shock to Fox, which had seen the deal as a way to resolve the internal disputes that have beset it in recent months.

A series of relatively minor problems appears to have prompted Mr. Davis to withdraw his original bid. A spokesman for him said then: "Mr. Davis does not like to be nickel-and-dimed."

The basic problem seems to have been the timing of a pro rata distribution to Fox shareholders of shares in United Television, the company's wholly-owned television and broadcasting subsidiary. The deal with Mr. Davis involves spinning off the subsidiary to Fox shareholders.

Mr. Davis proposed that Fox should make the television stock distribution first. He would then make his offer of \$60 a share for all Fox common stock outstanding.

Chirs-Craft was understood to have been pressing for the distribution of the television shares after Mr. Davis' offer. This would have resulted in tax benefits. Mr. Davis withdrew his offer.

He appears to have won his point. Under the renewed offer, Fox shareholders are to receive \$60 a share in cash after the distribution of United Television shares. In early dealings yesterday, Fox shares gained \$4.25 to reach \$62.

Mr. Davis, who is 55, is a keen baseball fan and is regarded as one of the most successful independent oil explorers in the U.S.

OECD will seek private sector cash for Turkey

By David Tonge in Paris

A CAMPAIGN is to be launched in the West to attract private sector loans and investments to Turkey. The approach to the private sector will be made by the Consortium for Turkey at the Organsation for Economic Co-operation and Development in Paris and represents a marked change from recent OECD practice.

The organisation has been co-ordinating Government aid packages for Turkey, and a third pledging session is due at the start of May. OECD officials expect Western Governments to offer \$1bn-\$1.2bn in aid. Similar amounts were raised in 1979 and 1980.

Announcing the move, Herr Rolf Geberth, the new president of the OECD Consortium, said he will be contacting banks and industrial groups.

Herr Geberth, a senior West German civil servant who previously co-ordinated energy policy at the Ministry of Economics in Bonn, says that the approach to the private sector will help reduce the need for official aid.

The Consortium made a similar approach in the 1960s but has been relatively dormant in recent years.

Last year, banks raised their short-term credit line to Turkey and the foreign exchange risks involved were among the factors causing Turkish banks to increase their drawings only by around \$150m.

The OECD believes Western governments should be encouraged to resume export credit cover which countries like Britain and West Germany stopped giving Turkey after foreign exchange transfers dried up more than three years ago.

Officials hope a resumption would encourage banks to consider making a fresh money loan to Turkey and that this, in turn, would encourage investors to look again at the country.

Recent increases in exports and a fall in the inflation rate, they say, indicate that the Turkish economy is on the mend.

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The credibility of the UK's battle for sensible reform is now suspect, writes John Wyles in Brussels

Britain falls into line on common agricultural policy

WHEREVER TWO or more European Community farmers gather together over a drink this weekend, their toast surely ought to be "Peter Walker and the British Government." Once the scourge of the Common Agricultural Policy, the UK has now joined in its plundering by endorsing farm price increases yesterday of a generosity which London would have deemed unthinkable just a year ago.

The package, based on common price rises of 9.5 per cent, is a financial windfall for Community farmers, whose incomes are under severe pressure, and a valuable political windfall for President Valery Giscard d'Estaing, who has the agreement he wanted well in advance of the French presidential elections.

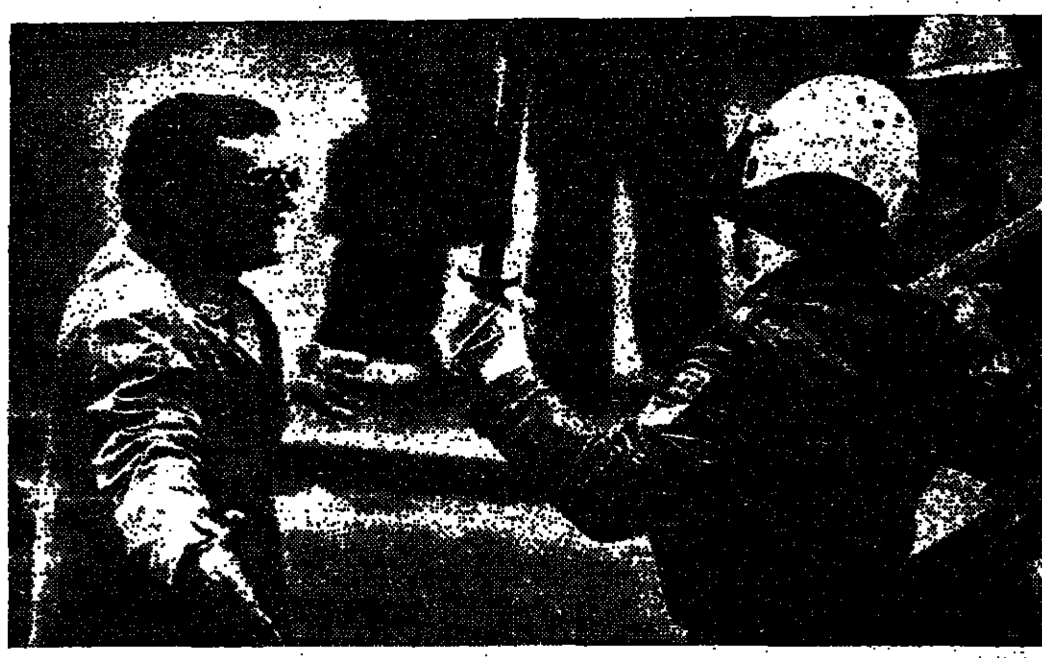
The gains for consumers are less obvious—the European Commission expects a 3 per cent rise in retail food prices—while the blessing for the Community as a whole is very mixed. True, agreement has been reached swiftly and with a minimum of discord, but at a price which invites extreme cynicism about the Community's declared intention to get a grip on surplus food production and reorient its spending away from agriculture.

The U-turn in British policy is most remarkable. Tired of being isolated on the issue and needing a major incomes boost for their own farmers, Mr. Walker and his cabinet have shelved a policy which dates back to the early days of Community membership and to all intents and purposes was still intact only two weeks ago.

The British have consistently sought, but rarely achieved, a "prudent" pricing policy for the agricultural policy but Sir Geoffrey Howe, the British Chancellor, was still battling loyally in support of this line at the last meeting here of Community Finance Ministers. He failed then to persuade his colleagues to adopt a statement that the growth in farm spending should be substantially less than the growth in the Community's budget revenues.

The Commission says yesterday's settlement will add at least £602m or 8.5 per cent to the farm budget in a full year. But this is a most conservative estimate, in which an obviously unhappy budget commissioner, Mr. Christopher Tugendhat, may not have too much faith. If world food prices fall next year, as they well may, thus pushing up the cost of Community export subsidies, or production surpluses climb under the encouragement of these price increases, then the budgetary costs will be very much greater.

The actual new budget burden is quite likely to be around £940m, which would take all the Community's extra budget revenues next year and leave no room at all for higher spending on regional and social policies. This aspiration, proclaimed by the European Parliament and formally endorsed by all member governments, was virtually scrapped by the Farm Ministers, who adopted a declaration of minimal ambition. They claimed their decision was consistent with "ensuring that the rate of increase of agricultural expenditure remain close to or, if possible, below, the rate of increase in the Community's own resources." Thus, agriculture remains the number one spending priority.



Strong feelings on farm prices were not confined to the Council chamber. Baton-wielding riot police confronted angry farmers outside the building.

Its appetite for Community funds will remain unchecked, not least because most of the Commission's original proposals aimed at deterring surplus production were rejected by the Farm Ministers.

In particular, the super levy on dairy production which the Ten agreed last May to adopt this year if output continued to rise (as it has done) was befriended only by Mr. Walker and his West German colleagues, Herr Josef Ertl, and that in a lacklustre way.

Why and how have the British allowed this to happen? With the wounds still fresh from the fisheries row, it clearly seemed pointless to incur further ignominy by holding up an agreement which every other country wanted and wanted quite quickly. But the most important reason why London has been able to back the farm settlement is that the UK is very largely sheltered from its direct budgetary effects.

Without the agreement of last May 30, the UK would be contributing over 20 per cent of the agricultural policy's revenues, but receiving only 8 per cent of its expenditure. A package of this week's dimensions would have greatly increased the UK's budget burden. However, last May's deal guarantees the UK a budget rebate this year of £775m, and commits other member states to paying 75 per cent of the cost of any substantial unforeseen rise in the UK's net budget payments.

Thus, this week's farm price package is a cheap lunch for the UK in budgetary terms, although the increase in the costs of the 30 per cent of food the British import is obviously a further transfer of resources from the UK to substantially wealthier parts of the Community.

But the determination not to fight was not the only contribution the UK made to yesterday's settlement. One wave of a monetary wand two weeks ago has enabled five countries which wanted even bigger common price rises to give their farmers bonus increases on top of the new Community prices.

This consequence of the UK's 23 per cent revaluation of sterling against the European Currency Unit has been so important that it is difficult to believe that it was only a coincidental adjustment at the time of the devaluation of the lire.

It has given France, Italy, Greece, Denmark and Ireland the opportunity to devalue their "green" rates, which translate Community prices into local currencies. As a result, the French and Danish farmers will be pocketing 12.1 per cent price increases, the Irish 13.4 per cent, the Italians 15.5 per cent, and the Greeks 11.6 per cent.

These bonuses have undoubtedly relieved the UK of pressures to accept even more embarrassingly large common price rises. Nevertheless, the credibility of Britain's battle for a sensible reform of the agricultural policy is at best suspect and at worst destroyed as a result of this week's work. As far as agriculture is concerned, the UK has become truly integrated into the European Community.

Deal wins guarded approval in Italy

By James Buxton in Rome

THE MAIN Italian farmers' organisation, Coldiretti, reacted yesterday with guarded approval for the farm price deal as it affects Italy. Farm prices in Italy will rise on average 15.5 per cent, of which 9.5 per cent is due to the increase declared by the Agriculture Ministers and a further 6 per cent to the devaluation of the "Green lire."

The association said the agreement was unsatisfactory in that farmers' incomes will not increase as fast as the current Italian inflation rate of about 20 per cent.

But it is pleased that Sig. Giuseppe Bartolomei, the Agriculture Minister, was among those who successfully held out against the imposition of co-responsibility levies on the production of commodities such as milk and cereals. Since Italy has a deficit in the production of most agricultural products, this was opposed particularly strongly.

Nevertheless, there remains a feeling, expressed by ANCA, another farmers' organisation, that the price deal benefits the big, surplus-producing farming areas of Europe at Italy's expense.

From the point of view of the Italian consumer, the agreement reached in Brussels is less popular. It is calculated that it will add 3-4 points to the inflation rate.

Key Community energy job goes to UK official

BY GILES MERRITT IN BRUSSELS

THE KEY European Community post of director-general responsible for energy policies has been won by a former British diplomat with extensive EEC experience.

The new Brussels energy chief, who will work with Belgium's Viscount Etienne Davignon, who has overall responsibility for both industry and energy, is Mr. Christopher Audland. Previously Deputy Secretary-General of the European Commission, Mr. Audland (54), succeeds a fellow Briton, Mr. Leonard Williams, as head of the Commission's Directorate-General XVII energy section.

Mr. Audland's specialisation in EEC affairs spans 20 years, for in 1961 as a career Foreign Office official he was a member of the British delegation that attempted to negotiate British entry to the European Community of six. Latterly he has special responsibility as a senior Eurocrat for the Commission's relations with the Council of Ministers, the member states' Committee of Permanent Representatives and for political co-operation matters.

Mr. Charles Haughey . . . spending and revenue estimates off target

Early Irish election more likely

BY STEWART DALBY IN DUBLIN

THE LIKELIHOOD of a general election in Ireland before the summer has been increased by the latest figures from Dublin's Central Statistics Office which show that the Government's spending and revenue projections are far off target.

With only three months of the financial year gone, the Government's borrowing for its current account deficit amounts to I£205m (£160m). Since the deficit target this year is I£515m, some 40 per cent of the total is already spent.

Total Government borrowing in the first three months of the year was I£404m. This means that, while borrowing for capital spending is more or less on target, if Mr. Charles Haughey's Government continues to spend at the current rate, the public sector borrowing requirement could reach a record 18 per cent of gross national product. No Irish Government has ever been this badly in debt.

The alternatives to increased borrowing are a mini-budget to raise new revenue through taxes or to reduce investment projects. However, the Government must hold a general election by the summer of next year at the latest. The inflation rate is already running at 21 per cent and unemployment at more than 10 per cent. A cut in spending would jeopardise the Government's promises to create new jobs. Increased taxation would also alienate an electorate which has seen real incomes drop in the past two years.

The most likely option for Mr. Haughey would be to hold a general election in May. He could thus avoid taking the unpopular measures on the economy.

Yugoslav PM in Vienna on three-day visit

VIENNA — Mr. Vesilin Djuranovic, the Yugoslav Prime Minister, arrived here yesterday for a three-day official visit to discuss bilateral issues and ways of reviving the dialogue between industrialised and developing nations.

Mr. Djuranovic was met by Chancellor Bruno Kreisky and later received by President Rudolf Kirchschlaeger.

Officials from both countries are due today to discuss ways of reviving the North-South dialogue.

AP.

Pravda hits out at Warsaw Communists

BY DAVID SATTER IN MOSCOW

THE SOVIET party news-newspaper Pravda yesterday made its first direct criticism of the Polish Communist party, accusing it of ideo*logical complacency in the* face of a malicious "anti-socialist" meeting in Warsaw.

The criticism referred to the Warsaw party organisation and not the Polish party as a whole. But it was nevertheless the first attack of its kind directed against the Polish Communists since Mr. Stanislaw Kania became party leader last September.

In a clear sign that Poland may *now face months of* intense psychological warfare, *despite* the avoidance of a nationwide general strike last Tuesday, Pravda *said that* a recent meeting at Warsaw University had been a "genuine political diversion."

The Soviet newspaper said speakers at the meeting, which took place at the end of March, made "unbridled attacks on the Socialist system in Poland" *and that one* speaker had described Fascism as morally superior to Marxism.

Pravda claimed that the meeting was *organised by* KOR, the Polish workers self-defence group, and that speakers had argued that "*the only force which* would become the leading one in society was not the Communist Party but the counter revolutionaries from KOR."

Some people in Poland "still express doubts about the existence in the country of anti-Socialist forces." But, the newspaper asked, what more proof was necessary of *their existence and activity,* after this "witches sabbath" at Warsaw University?

It was significant that the Warsaw party organisation did not "make any kind of ideological rebuff to those who spoke at the meeting," Pravda said.

The wording of the newspaper report was similar to articles published in Moscow *in the weeks before the 1968* Warsaw Pact invasion of Czechoslovakia, when the Soviet Press was openly critical of the failure of the Czech party to take firm action against "anti-Socialist" *groups.*

● Mr. Alexander Haig, the U.S. Secretary of State, yesterday met Mr. Mieczyslaw Jagielski, the Polish Deputy *Prime Minister*, amid indications the Reagan Administration is considering extra food and financial aid for the hard-pressed Polish economy, AP reports from Washington.

U.S. officials said the *Administration may offer* surplus food commodities to Poland at favourable rates. In addition, Poland may be allowed an additional deferral of *scheduled repayments* on its US$2.5bn debt. Earlier, the Administration agreed to put off $88m in debt repayments.

Free union newspaper published

THE LONG-awaited first copy of Solidarity's national weekly newspaper has finally appeared. The 15-page publication, called Solidarity, has had many obstacles put in its way since it was approved by the authorities last autumn, writes our Warsaw correspondent.

Half a million copies have been printed and the paper, edited by Mr. Tadeusz Mazowiecki, one of the union's advisers and a moderate, seems certain to play *a significant role*

The paper will be the official government censor. The leading article in the first edition said: "*We will be limited, but no one will be able to impose anything on us. At times, our silence will be at least as demonstrative as any printed page.*"

It will cover both union affairs and wider issues, and is staffed by professional journalists *from the "official"* Press and young people with dissident backgrounds.

The first number contains features on the strike last *summer* and the most recent crisis.

NO THREAT TO MOVEMENT'S UNITY, SAY LEADERS

Solidarity denies Walesa is at risk

BY CHRISTOPHER BOBINSKI IN WARSAW

CRISIS IN POLAND

DISSENT WITHIN the ranks of Solidarity, Poland's independent trade union movement, following criticism of this week's compromise agreement with the Government, threatens neither the position of Mr. Lech Walesa or the unity of the movement as a whole, members of the union's national committee made clear yesterday.

Some delegates of the regions in the 40-strong union steering group thought that a better agreement *should have* been negotiated. Failing this, the union should have gone ahead with the general strike planned for last Tuesday.

They also criticised the fact that they had not been informed during the week-long talks with the authorities on how matters were progressing. Much of the criticism was aimed at Mr. Walesa, the union leader, and some of the more moderate advisers. But the members of the national committee admit that the union cannot afford to lose him.

The anger was vented in the dismissal of Mr. Andrzej Celinski, the committee's executive secretary. An important factor moderating the committee's protest, however, was the strong support for Mr. Walesa and the agreement from large factories throughout the country such as the Cegieski works in Poznan and Zamech in Elblag.

In future, the national committee has decreed that talks with the Government should take place with all of them present.

Meanwhile, the ferment in the Communist party rank-and-file continues as does the split in the leadership between hard*liners and the moderates.*

Mr. Stefan Olszowski, a hardliner member of the politburo who came in for repeated attacks at Sunday's stormy party *central committee meeting*, is still in charge of the media. But in an open challenge, Mr. Mieczyslaw Rakowski, the Deputy Prime Minister, who has responsibility for the unions and public relations, has said that the Government is thinking of taking over responsibility for the media from the party. *He said he had not* been happy with the television coverage of the recent crisis.

"I'm not in the circle which decides what is shown on *television,*" *he said.* "We're thinking of setting up an Information Ministry which would also handle the party Press."

Grass roots members are still angry that the central committee meeting did not sack either Mr. Olszowski or Mr. *Tadeusz Grabski*, another hardliner. The party cell at the Polanil textile works in Lodz has demanded that the committee meet again on April 10 to do so.

There is also a widespread demand that the next meeting be attended by rank-and-file observers. This has been proposed by the Lenin steelworks in Krakow.

In Gdansk, the shipyard organisation is insisting that Mr. Stanislaw Kania, the party leader, and Mr. Olszowski attend a meeting of the 3,000-strong party cell at the works next Tuesday.

● Polish coal production reached 43.2m tonnes in the first quarter of this year. Some 3m tonnes were extracted on *Saturdays. Coal exports in this* period totalled 2m tonnes. The annual export plan is set at 24.4m tonnes and 6m tonnes should have been sent abroad in the first quarter.

Peugeot to lay off 16,000 workers

By Robert Mauthner in Paris

THE PEUGEOT car company has announced extensive temporary lay-offs at Peugeot and Citroen factories in Mulhouse and Sochaux, Eastern France, this month.

At Sochaux, more than 12,000 wage-earners *will be laid off* for six days, while at Mulhouse, 3,500 of Peugeot's total work-force of 14,000 will be put off work on April 16 and 30.

At the Mulhouse Citroen factory, most of the 980-strong labour force will be laid off *tomorrow and on April 30.*

The Peugeot management said the slack car market were responsible for the measures, which follow an announcement at the end of last month by Renault, the country's biggest car company, that several tens of thousands of its employees would be laid off for seven days over Easter.

French car sales and production have been depressed since the beginning of this year. In February, new registrations fell by 17.6 per cent to 134,350 units compared with the same month in 1980. Production dropped even more sharply by 21.7 cent to 217,790 units, compared with February last year, while exports fell by nearly 19 per cent.

The *lay-offs in the motor* industry, added to thousands of *others in the ailing* textile industry, will give more *ammunition* to President Giscard's opponents in the presidential election campaign, who have concentrated on rising unemployment as his biggest failure.

Basque bishops attack army for political meddling

BY ROBERT GRAHAM IN MADRID

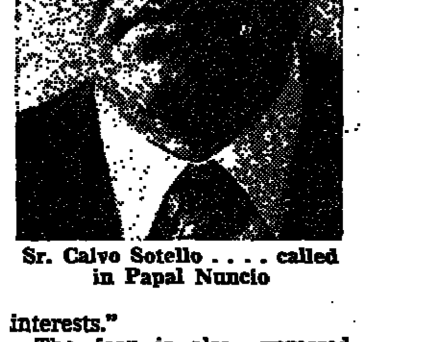
A PASTORAL letter by three Basque bishops criticising the Spanish armed forces for interfering in politics has sparked a serious controversy. As a *measure of the Government's* concern, the Papal Nuncio was summoned yesterday for a meeting with Sr. Leopoldo Calvo Sotelo, the Prime Minister.

The letter, released on Wednesday, is reported to have caused serious concern in the Defence Ministry and representatives of the main political parties are understood to consider its contents "inappropriate." These reactions underline the extreme sensitivity of both the parties and the armed forces *to any suggestion that* the military are exercising control over policy in the wake of February's abortive coup.

Signed by the Bishops of *Bilbao, San Sebastian and* Vitoria, the letter is the first outspoken Church condemnation of the military for a long time. The incident evokes *memories of the* famous 1974 pastoral letter sent by the then Bishop of Bilbao supporting Basque nationalism. This nearly led to the excommunication of General Francisco Franco

It begins with a bitter attack on ETA, the militant Basque separatist organisation, criticising it for seeking to provoke a *new coup* and army intervention in the Basque country. However, the letter warns the armed forces that their role is not "to dictate the legitimacy *of the country's democratic process.*"

The letter adds that "when the armed forces set themselves up as judge over the democratic process and feel tempted to intervene, this constitutes a serious danger rather than a genuine defence of the people's interests."



Sr. Calvo Sotello . . . . called in Papal Nuncio

The fear is also expressed that new repressive measures by the Government, coupled with ETA's actions, threaten to "rudely interrupt our process of autonomy

The controversy has erupted just when Parliament has approved sweeping legislation designed to protect the constitution and, in part, aimed at Basque separatists. Its main elements are powers for the courts to impose stiff penalties for acts of military rebellion.

One consequence of the legislation, strongly contested by some editors, is that newspapers will be liable to closure if they are considered to be aiding and publishing propaganda supporting anti-constitutional activity. This is *regarded as a serious* potential curb on press freedom

Unions challenge tax changes in Sweden

BY WESTERLEY CHRISTNER IN STOCKHOLM

MR. GUNNAR NILSSON, leader of *Sweden's powerful* Landsorganisationen (LO) trade union confederation, yesterday strongly challenged a Government plan aimed at *overhauling the country's steep* progressive income tax system.

"*It is* one of the most unfair proposals ever made by a Swedish Government. It is unfair in principle because it favours high income earners," he said.

LO is closely tied to the *Opposition Social Democratic* Party. Last week, the Government secretly presented its proposal to the Opposition, hoping to gain support for the measures outlined when they are put to a vote in the Riksdag *(Parliament) this spring.* The three-party coalition Government holds only a one-seat majority in the 349-seat Riksdag.

The plan calls for reducing rates of taxation across the *whole range of annual income* brackets. The reductions average 10-15 per cent.

It would be put into effect over three years beginning in 1982, causing a total loss in revenue to the state treasury of some SKr 7bn ($1.52bn). Part of the loss sustained could be made up for during the first year by increasing consumer-level taxes and levies on oil and products except gasoline.

On Wednesday evening the *Socialists* sent a letter to the Government rejecting the scheme, repeating their desire to find another system for reducing income tax while maintaining current levels of social welfare benefits.

Earlier, other interest groups including white collar unions and SAF, the employers' federation, took part in Government talks on tax reform. Only LO refused to participate.

Yugoslavian unrest erupts

BY ALEKSANDER LEBL IN BELGRADE

FRESH outbursts of Albanian *nationalism* have erupted in the Yugoslav province of Kosovo and have now spread beyond the *capital Pristina to other* towns in the province.

Riot police have again been flown into the province following student riots there on two occasions last month.

The Yugoslav authorities have admitted for the *first time that* the protests there have an overtly nationalistic nature which carry with them potential dangers for the unity of multinational *Yugoslavia.*

Demonstrators shouted slogans *calling for* the upgrading of Kosovo to the status of a fully-fledged republic and asking why this should continue to be denied to Kosovo, with *nearly* 2m inhabitants, while republican status is enjoyed by smaller regions.

Some demonstrators took the protest a stage further by demanding the unification of the Albanian-speaking province with neighbouring Albania.

The protests come despite the fact that living standards and the degree of political and cultural freedom is much greater in Kosovo and millions of dollars worth of *development aid* have been poured into the region.

Pressure on Bonn to revive economy

By Roger Boyes in Bonn

AMID GROWING pressure for a legislative package to revive the flagging West German economy, Chancellor Helmut Schmidt last night called in senior Ministers and the head of the Bundesbank, West Germany's central bank, to discuss ways of spurring private investment and boosting growth.

The meeting took place against a backdrop of two superficially encouraging indicators. The number of unemployed in March dropped by about *90,000* compared to the February level to 1.2m, an unemployment rate of 5.2 per cent. Second, the latest IFO Research Institute's analysis of the industrial climate shows that there has been a slight revival in overseas demand for German goods, compensating for the continuing drop in domestic orders.

But both these developments *are due to special factors.* The pick-up in employment—matched by a rise in the number of vacancies—reflects the normal Spring upturn on the job *market.* The *unemployment* rate is still well above the rate in March, 1980 of 3.8 per cent.

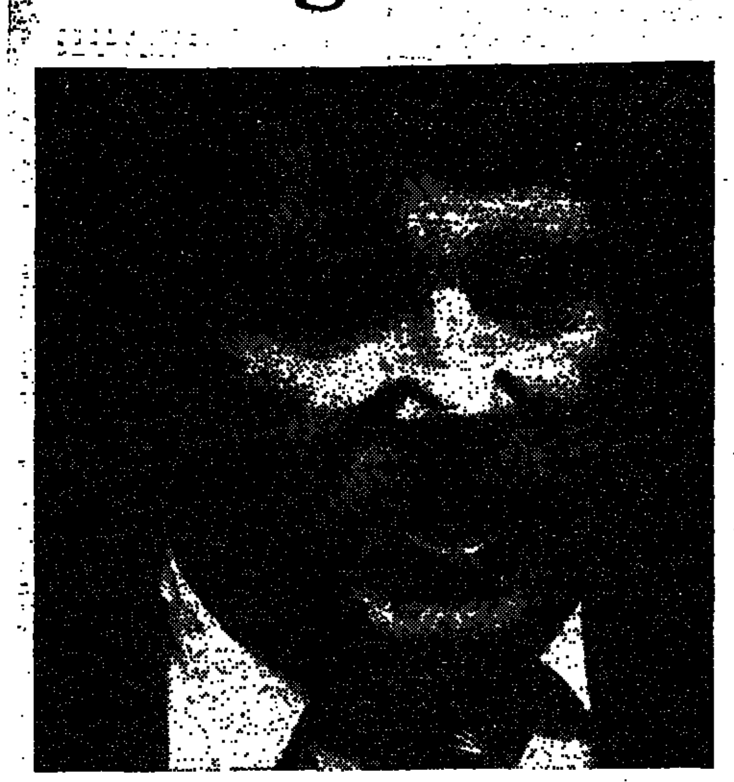
The IFO-recorded upturn in demand is the result largely of the weakness of the *D-Mark* in the early months of this year. This prompted several overseas customers to place their orders ahead of time. Now, with the D-Mark having firmed within the European Monetary System, the improvement is unlikely to continue into the summer.

The Bundesbank Council, however, made no move during its regular fortnightly meeting *yesterday* to change its tight money policies and Herr Hans Matthoefer, the Finance Minister, tacitly backed this line in an interview published yesterday. *However, the Minister* did stress "we must create room for manoeuvre for the Bundesbank so that it can lower interest rates without having to worry *about capital outflows* and the weakening of the D-Mark."

How limited this room for manoeuvre is, emerged at the Chancellor's talks last night. The Government is agreed that it cannot afford a stimulatory job-creation package but rather that *it will, through shuffling* budget allocations and possibly raising taxes, have to rely on indirect measures to boost industrial investment.

Long and bitter strike threatens as miners reject pay deal

BY PAUL BETTS IN NEW YORK



● Mr. Sam Church: achievements could backfire

"WE ALL thought that the U.S. coal business was at last moving out of the 18th century into the 19th century," a coal company official remarked caustically. Coal miners in the east and middle west had rejected two to one a labour contract which would have marked the end of an era of strikes and acrimony in the U.S. coal industry.

For the first time since 1964, the United Mine Workers union and the Bituminous Coal Operators Association appeared set on reaching a peaceful settlement over the renewal of the eastern and middle west coal-miners' three-year labour contract. Indeed, with what was generally acknowledged to be considerable political skill, Mr. Samuel Church, the Mine Workers' president, and Mr. Bobby R. Brown, president of Consolidated Coal Company, the coal subsidiary of the Conoco oil company, last week hammered out a tentative settlement which was deemed to be a respectable compromise.

Mr. Church described the 31 per cent pay rise over the next three years as "good money." Mr. Brown seemed equally happy with the concessions he won on productivity and some changes in what coal producers have long termed as the "*anachronisms of the U.S.* mining industry." Moreover, a pattern had already been set in the west in February, when the mine workers and western producers reached a peaceful settlement on a new labour contract.

But the 160,000 members of *the mine workers union in the* east rejected the contract. Although traditionally more militant than western coal-miners—especially in the Appalachian areas of West Virginia, Kentucky and Tennessee—the miners had been expected to ratify it. Instead, they claimed Mr. Church had sold them short and had given in to the oil companies which now own a large chunk of the U.S. coal industry. In several coal areas they burned copies of the contract to express their disapproval.

Ironically, they were not objecting to the pay part of the package which, as it turns out, involves about 5 per cent less than the 36 per cent three-year pay increases won by western miners. They basically opposed a concession made by Mr. Church whereby coal operators would no longer have to pay a $1.90 a ton royalty into the union pension fund on non-union coal processed and sold by unionised plants. For Mr. Steve Segedi, a local mine workers representative in south-western Pennsylvania, that *would simply encourage* coal producers to buy coal from non-unionised mines and then sell it. "If the proposed contract is approved, in the next several years we may not have a union," Mr. Segedi claimed.

The deadlock now risks plunging the country into another bitter strike which some fear could be longer than the 111-day strike in the winter of 1977-78, the longest in the union's 91-year history. But the big loser is likely to be the union itself.

The fact is that a long strike will have only slight impact on the economy. Utilities, steel plants and other industries had been building up stocks, now at a record high. Demand is so sluggish that the coal industry has between 100m to 200m tons of *overcapacity.* Some 200 operators of small mines went bankrupt last year and some 20,000 miners are out of work.

Demand for electricity has also declined, and the electricity utilities, the main market for coal, are facing serious financial problems. Moreover, the coal-*burning utilities have stockpiles* averaging well over 100 "burn days"

As for exports, the U.S. exported 89.9m tons of coal last year, out of a record total production of 708.8m tons. They are unlikely to be affected. Some 160 ships, nearly a third of the world's coal-hauling fleet, are waiting off Virginia's chronically congested ports to pick up coal. Some have been waiting two months.

Under these circumstances, there is little pressure on coal producers, especially the large oil companies which today own about 30 per cent of U.S. coal reserves, to renegotiate an agreement. Their association said on Wednesday night: "We have no plans to resume negotiations," adding: "This rejection reflects a distrubing lack of *bargaining discipline in* the United Mine Workers' Union."

The most immediate problems face the miners' leaders and Mr. Church in particular. Torn by internal strife and bad management, the union has seen its influence decline steeply in recent years. Its members today account for only 44 per cent of total U.S. coal output, compared with 70 per cent a decade ago and 100 per cent in 1950. While the structure of mine ownership has changed profoundly — in only 15 years, the oil, steel and utility industries have doubled their control of U.S. coal production to nearly 50 per cent — the union has faced the challenge of non-unionised coal mines, especially in the expand-make it harder to unionise new mines, especiall yin the expanding coal fields of the west, where non-union workers work overtime when union members in the east and the mid-west go on strike.

For Mr. Samuel Church, who became president last year, a long strike would be a major political defeat. Mr. Church, a *former mine* electrician who at 44 looks a little like King Henry VIII, came to power on the back of the 1977-78 strike. He had so far made a remarkable impression by seemingly pulling the strife-torn union together, ably negotiating the current contract, and helping to cut sharply the number of wild-cat strikes in his first year as president.

But beyond these problems for the union, is a much broader issue: it is essentially one of image. As one coal producer put it: "The industry faces a potential loss of image." That image is one of reliability and stability that would increase confidence in the country's coal industry and, in the longer term at least, open up an immensely profitable new market in Europe and elsewhere for Appalachian coal.

Argentina devalues to boost failing economy

BY MARY HELEN SPOONER IN BUENOS AIRES

THE ARGENTINE Government has devalued the peso by 22.7 per cent from 2,375 to the dollar to 3,075 as part of a major package to boost a failing economy.

The devaluation was announced by Sr. Lorenzo Sigaut, the finance minister, on Wednesday night, along with a 12 per cent reduction in most import tariffs and unspecified cuts in Government spending.

The measures were the first official action taken by the military Government led by Lieutenant - General Roberto Viola, who was sworn in as President last Sunday.

But the announcement of the devaluation had been delayed nearly three days while officials held a round of meetings in an effort to reach a consensus on the measures.

Currency exchange houses and the Argentine Cereals Exchange were shut during this period and black-market dealers offered exchange rates of 3,100 pesos to the dollar.

Sr. Sigaut said the peso would undergo subsequent monthly devaluations of approximately 2 per cent.

This latest devaluation is the largest since 1975 when Sra Isabel Peron's Finance Minister devalued the peso by 50 per cent.

The new move brings the peso's decline to 54 per cent for the first quarter of this year, almost twice the level of devaluation registered over the same period in 1980.

Anticipation of the devaluation has caused a run on the peso costing the country more than $2bn, or about a third of its reserves, and has forced domestic interest rates up to more than 200 per cent from under 100 per cent in January.

Sr. Sigaut said the devaluation should stem the run on the peso and thus reduce interest rates which have seriously hurt industry.

Over the past two years the peso has been devalued at a much slower rate than the increase in retail prices which have risen by about 250 per cent. Preventing too rapid a devaluation was a keystone of the policies of the former Economy Minister, Sr. Martinez de Hoz, who had managed to cut annual inflation to less than 80 per cent.

Nicaragua denounces U.S. as 'imperialistic'

BY DAVID BUCHAN IN WASHINGTON

NICARAGUA yesterday called the Reagan Administration "imperialistic" for formally halting $15m in aid for the Sandinista Government, because of the help it has given to guerrillas in El Salvador.

A broadcast on Nicaraguan television accused Washington of having as its "final objective" the overthrow of the Sandinista Government.

In fact, the U.S. move changes little. *Washington had* effectively held up aid to Nicaragua since the start of the year. The new announcement is a compromise designed to placate the Republican Party's right wing, which opposes all ties with the Sandinistas, while still trying to retain some influence in Managua.

The State Department said aid would be resumed "if the situation improves." It acknowledged that Nicaragua had done what the U.S. asked and had stopped arms shipments to Salvadorean gurrillas. But the department complained of "political and logistical" help for the guerrillas.

The State Department said the U.S. would not demand imediate repayment of past loans, as it could do, theoretically, under American law following the formal determination that Nicaragua was "abetting violence in another country."

Canadians seek end to constitution deadlock

Canada's three political parties in the Commons yesterday tried to break the impasse over constitutional reform, Victor Mackie reports from Ottawa.

The Government's constitutional proposals will go to the Supreme Court on April 28. However, the leaders of the three parties were seeking an agreed procedure whereby the Canadian Parliament could deal with the proposals and submit them to the court for a ruling on their legality before sending them to Westminster for the necessary endorsement

The Liberal Government of Mr. Pierre Trudeau, the Prime Minister, wants Parliament to *pass the plans. Mr. Trudeau is* prepared then to send them to the Supreme Court at the same time as he sends them to Westminster.

The Progressive Conservative opposition has proposed that the House of Commons agree on the main amendments to the proposals, but postpone adopting the package until after the Supreme Court has ruled on its legality. Even if the proposals are found to be legal the Tories have refused to commit themselves to ending a filibuster

The opposition does not disapprove of the underlying principles but has reservations about certain aspects of the package, in particular the Bill of Rights.

The New Democratic Party under the leadership of Mr. Ed Broadbent has offered a compromise. It says the House *should vote on all amendments,* but delay final adoption of the package until the Supreme Court makes its ruling.

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Guyana leader in talks on Venezuela claim

Venezuelan claims to two-thirds of neighbouring Guyana will be raised today by President Forbes Burnham of Guyana during talks with the Venezuelan leader, President Luis Herrera Campins, Kim Fuad reports from Caracas.

A 12-year moratorium on the dispute is due to expire in June next year and most Venezuelan political parties are opposed to renewing it. They insist that the Burnham Government has violated the terms of the moratorium by opening the disputed "Essequibo" region of 61,500 square miles to exploitation by foreign companies.

The Venezuelans are also concerned about Guyana's links with Cuba and, in particular, Cuban declarations of support for Guyana's territorial integrity.

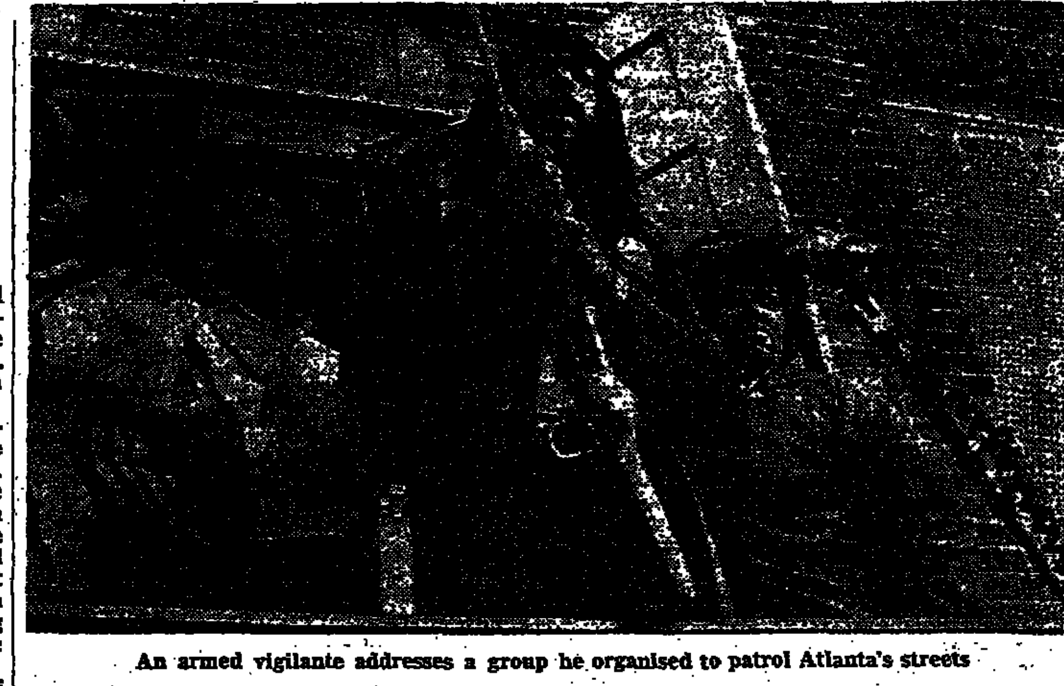
Observers suggest that Venezuela will renew proposals for joint development of the region as a means to achieve a compromise settlement.

Russian banned from TV debate

The State Department has refused to allow Mr. Georgi Arbatov, Moscow's top American specialist, to prolong a stay in the U.S. to take part in a television debate on the nuclear arms race, **David Buchan reports from Washington.**

The move is a protest against the Soviet refusal to permit U.S. diplomats to appear on Soviet television. With the advent of the Reagan Administration and *its harder line towards Moscow,* Russian diplomats have taken to accepting invitations from the U.S. media to air the Kremlin's view.

The Reagan Administration claims to be carrying out a consistent policy of no longer allowing the Soviet Union unilateral advantages in matters great and small—ranging from subversion in Central America, to special parking for the Soviet ambassador.



An armed vigilante addresses a group he organised to patrol Atlanta's streets

MURDER TOLL RISES TO 22

Child killings put race relations to a brutal test

BY DAVID BUCHAN, RECENTLY IN ATLANTA

DROWNED OUT this week in the uproar over the shooting of President Ronald Reagan were two items which would otherwise have hit the headlines: the news that violent crime in America rose last year by 13 per cent, the biggest increase for five years, and, in Atlanta, Georgia, the most grisly manifestatation of this trend.

In that city, the bodies of two black youths were this week fished out of the Chatta*hoochee River, bringing to 22* the number of black children murdered in the past 20 months. Two more are missing.

This case carries wider connotations than that of a "Georgia Ripper." It is a fact of history and statistical probability that a case in which minority blacks account for all the victims takes an inevitable racial overtone. Blacks around the U.S. have held fund raisings, prayer vigils, and worn green ribbons as marks of solidarity with Atlanta's bereaved parents.

Sad reminder

The sad reminder from Atlanta is that racial harmony, no matter how carefully nurtured, is a delicate plant whose roots are easily damaged. With a black political establishment, a religious tradition which powered the civil rights movement, the biggest black university complex in the world, a sizable black middle class and a couple of dozen black millionaires, Atlanta has successfully weathered earlier tense times without serious incident.

Whites and blacks have forged many links in Atlanta, in ways untypical of the rest of the state. This ethos still exists, referred to as "the spirit of Atlanta." It's taking practical form now, with help from white churches and money from white business to the black community.

But this is now under extraordinary strain, as the city that billed itself as too busy to hate has one thing dwelling on its collective mind: how high will the toll go before the killer or killers are caught or stopped? The unsolved murders could drag into a third summer, a time when *children are more vulnerable* for being out of school. This year, political tension could be greater because of President Reagan's planned cuts in social programmes and with a local mayoral election between at least three candidates, including Mr. Andrew Young, late *United Nations* ambassador for President Jimmy Carter.

Some black leaders have played down the direct racial significance of the murders, hard to sustain in the light of recent evidence. The police have reverted to their initial theory of more than one killer, perhaps one "original" with a "copycat," and have noted a few child murders happen every year.

But Mr. Marion Barry, the black mayor of Washington DC, has charged that if the victims had been white response to the murders would have been speedier and more effective.

This might seem nonsense. The likelihood is that the main killer is black—since he or she clearly operates unobtrusively in black areas—and as the Atlanta mayor, public safety commissioner and police chief are all black. But it is not non-*sense to many ghetto blacks,* who complain their interests are ignored by the middle-class black hierarchy.

Atlanta-based black leaders of national stature, like Rev. Joseph Lowery and Mr. Young, have said it is blind not to set the black reaction to the city murders against the background of violence elsewhere in the country. Incidents of a possibly racial nature have taken place over the past year in such disparate areas as Salt Lake City, Buffalo and New Orleans.

A Washington Post—ABC poll last week quantified this feeling of black insecurity. Most blacks agreed big strides had been made in recent years, but feared these could be reversed in a backlash presided over by Mr. Reagan.

No one in Atlanta—black or white—faulted Mr. Reagan for his direct *response to their* city's need, a $1.5m federal contribution to an investigation now tying up 70 local police and *40 to 50 FBI agents.*

But there are suggestions the Atlanta murders point up the ramifications of the President's budget cuts. Poor black children may have ended up the victims simply because "ghetto life makes these kids more available to predators," as Dr. Lowery puts it.

These conditions, Dr. Lowery and others claim, will be aggravated by the budget cuts in family assistance, food stamps, medical care, legal services and a new requirement that people must work for their Welfare payments.

Devastating effect

Dr. Alfred Messer, one psychiatrist with a big Atlanta practice, believes that if the case drags on, the effect on the city's children will be "devastating." Many precautions are necessary — informal curfews for children reinforced by constant warnings on television and vigilante groups patrolling public housing—but has also raised the anxiety level of children.

Atlantan business is moving to plug part of the social service gap that would be left by Mr. Reagan, in particular stepping up efforts to provide more summer jobs.

The business community's stake in Atlanta's stability is very high. Around 430 of Fortune magazine's top 500 companies have some operations in the city.

But the city's progress rests on the foundation of good rela*tions between the races.* This could be rocked by the child murders.

هكذا من الأصل

COUP IN THAILAND

The colonels behind the takeover

BY ALAIN CASS IN BANGKOK

THE MOOD of the Thai corporal at the road block 35 miles from Bangkok seemed unusually relaxed for a man apparently on the point of engaging his fellow soldiers in civil war.

Two days ago he was on patrol along the Kampuchean border, a soldier of the elite Fourth Army which occasionally does battle with Vietnamese troops encamped on the other side.

On Tuesday night he was woken by his sergeant who told him he was going to the battle front. "I only realised we were coming to Bangkok to stage a coup when I heard it on the radio the following morning. Now I must obey orders," he said. He waved us on towards Korat, where Gen. Prem Tinsulanonda, the Thai Prime Minister, has established his rival base.

Blind obedience is characteristic of Thailand's small but effective army, and is reinforced by the ancient Eastern concept of respect of age and seniority.

Captains do not question colonels and colonels do not question generals. Not until the present crisis, that is, in which a disgruntled minority seized Bangkok and divided the country in two.

The prospect of prolonged fighting between army factions is still remote. This is not only because the coup leaders know disobedience to their superiors and—far worse—disrespect to the King are punishable by death, but also because the prospect of Thai soldiers killing their brothers-at-arms for political reasons is almost inconceivable to most enlisted men.

Thailand's army consists of 155,000 men, divided into four armies deployed in the north, north-east, south and centre.

Relatively well-equipped, it invariably receives the lion's share of the defence budget and attracts the pick of young recruits.

It has played a dominant role in Thai politics since the end of the absolute monarchy in 1932, and is the final arbiter of national policy. Army politics are a microcosm of national politics. Cliques and political groupings abound. They tend to centre on officers' graduation years or classes, focusing loyalties in a way not unlike Britain's "old boy" network.

Not unusually, Bangkok is full of rumours and counter-rumours in what is beginning to look like a gigantic game of poker. Details of exactly what precipitated the coup are still unclear. But from the best evidence available the reasons for Tuesday night's takeover go back to the dying days of the Government of Gen. Kriangsak Chomanan, ousted in the last coup in October, 1977.

The impetus appears to have come from about 20 colonels who graduated together from Class 7 at the elite Chulachomklo military academy. The majority had worked their way into the inner sanctums of power as advisers to Gen. Kriangsak on key matters of policy.

These men, who represent an articulate and highly politicised new breed of army officers, are typified by Col. Prachak Swangshit, the 41-year-old commander of the Second Infantry Division based in Prachin Baru.

Col. Prachak, who is idolised by his men and goes by the soubriquet of "Thailand's Col. Patton," played a key role in the coup, moving elite combat units from the Kampuchean border to Bangkok on Tuesday.

The colonels of Class 7, or at least those who took part in the coup, have been agitating vocally for greater democracy, an end to corruption, and a major shift of wealth to the underprivileged.

As often happens in Thai politics, Gen. Kriangsak's fall was signalled several times in advance, so that when Gen. Prem took over, the Colonels of Class 7 assumed they would continue to wield the same degree of influence on the leadership.

Ironically, many, if not all, hold Gen. Prem in the highest regard, not only because he is thought to be a good soldier, but also because he is known not to be corrupt.

But the colonels' high regard for Gen. Prem, it would seem, gave way to ambition when he made clear he was prepared to clip their political wings. This was compounded by the fact that he was persuaded last year to stay on as commander-in-chief of the armed forces beyond the statutory retirement age. They saw their chances of promotion dashed.

Apparently faced with the stark choice of taking a back seat in the political process or returning to mere soldiering the colonels moved.

The assumption in Bangkok is that the leader of the coup, Gen. Sant Chitpatima, is merely a figurehead, and that he was not, in fact, the colonels' first choice. He seems to have agreed because it was his last chance to become commander-in-chief.

Gen. Prem confirmed last night that the colonels had asked him to join the coup late on Monday night. He sent them packing in typical Thai style, saying he would first have to consult the King.

Gen. Sant: figurehead for the coup.

A PREMIER 'IN EXILE'

Prem plays every card he can muster

BY DAVID BUTLER IN KORAT

GENERAL Prem Tinsulanond emerged from his counter-revolutionary headquarters just as a Thai dancing festival full of colour, noise and bustle burst into life in this small provincial town which has become Thailand's alternative capital since Tuesday morning's attempted coup.

Smiling and looking the very picture of confidence the wily 60-year-old Prime Minister in exile waved to cheering groups of farmers whose community nudges the air force base where the Thai King and the Royal Family are believed to be in temporary residence.

In another gesture of considerable flair the news that one of the Royal princesses was celebrating her 26th birthday yesterday "in the guest house of the second army headquarters" was given full play by the General's aides and made all the front pages in Bangkok yesterday.

General Prem's swift action in getting the Royal family to leave Bangkok during the night of the coup and join him in Korat may yet turn out to be the tactical stroke of genius which eventually restores him to the premiership.

The Thai King is revered by his people and traditionally remains aloof from the country's political squabbling.

The General, playing every card he can possibly muster paraded himself and his entourage of military commanders, provincial Governors and leading politicians before a brief Press conference in Korat. Whether he felt he needed to do this because his position remains more precarious than he claims remains to be seen.

For all the tension in the capital the road from Bangkok to Korat betrayed few signs of imminent military clashes. What units are poised to strike at the capital have been tucked away out of sight.

Lebanon violence ahead of U.S. mission

BY IHSAN HIJAZI IN BEIRUT AND ROGER MATTHEWS IN LONDON

FIERCE FIGHTING erupted in Beirut yesterday while clashes continued around the eastern Lebanese town of Zahle. The sharp deterioration in the Lebanese situation came just as Mr. Alexander Haig, the U.S. Secretary of State, prepares for a four-nation tour of the Middle East.

Apart from Egypt, Israel, Saudi Arabia and Jordan, members of the Haig delegation will also visit Iraq, Syria and the Gulf states

The outbreak of fighting between Syrian troops of the Arab Deterrent Force and right-wing Christian militiamen in Lebanon may have been engineered to remind Mr. Haig of the dangers of a wider conflagration in the region.

Syria, which has become increasingly isolated in the Arab world and is in conflict with both Iraq and Jordan as well as being militarily embroiled in Lebanon, must have greeted with extreme anxiety yesterday's admission from Baghdad that it is purchasing arms and ammunition from Egypt.

With President Hafez al-Assad's regime in Damascus also facing a serious domestic challenge there is undoubtedly a temptation to remind the Arab and Western worlds of the critical role Syria plays in keeping volatile Lebanon under some degree of control.

Beirut resounded to the sound of explosions yesterday as rival factions traded fire across the so-called "green line" which divides the Christian and Moslem parts of the city. Large fires were started in the port district and 10 people were reported killed or wounded.

The clashes around the predominantly Christian town of Zahle which had begun on Wednesday continued throughout the night and grew in intensity yesterday. Christian militiamen inside the city of 150,000 traded shells with Syrian troops stationed on the approaches and initial reports spoke of over 20 people wounded.

President Assad

Military links likely to dominate Haig's visit to Cairo

BY ANTHONY McDERMOTT IN CAIRO

THE PRIMARY task of Mr. Alexander Haig, the U.S. Secretary of State, when he arrives in Egypt tomorrow, will be to examine the state of health of the fastest growing American relationship in the Middle East.

The U.S. has been relatively successful in deliberately trying to keep signs of their military economic and political involvement in the region as unobstrusive as possible. But where, at the beginning of the decade, before diplomatic relations were restored in February 1974, the U.S. embassy in Cairo was a slimline operation of five diplomats, today it is staffed by 435.

A 20-storey U.S. embassy complex was once, partly for reasons of tact, shelved. It has now been resurrected, albeit at a mere 17-storeys, and needs only Congressional approval before going ahead

Trivial as these facts may seem, they have nevertheless set many people thinking that because this kind of commitment may have established an unstoppable momentum of its own, it could become counter-productive in the Middle East as a whole, where Egypt and President Sadat are pariahs because of the peace treaty with Israel.

In his 24-hour visit, Mr. Haig is not expected to announce any decisions or to bring pressure on the Egyptian Government. If there is a priority in the three main areas of the relationship it is likely to be in military co-operation.

This itself falls into two main parts: Egypt's role in American global deployment, and direct military aid.

In the former context, the U.S. and Egypt carried out two joint exercises last year—one involving F4 Phantom jets, and the second, codenamed "Operation Bright Star," involving 1,400 ground troops of the U.S. Rapid Deployment Force in conjunction with Egyptian forces.

A key point in Mr. Haig's discussions will be the exact status of the "facilities" which Egypt will be able to offer in future to the U.S. (or its European allies). Mr. Sadat risks the politically dangerous accusation that he is offering permanent foreign bases to the U.S. and the indications are that President Reagan's administration will be more insistent than Mr. Jimmy Carter's for something more permanent.

Including a request before Congress for 1982-83 of \$900m in foreign military sales credits, U.S. military aid to Egypt since 1979 has reached a total of \$2.4bn. Total Egyptian requests have been almost twice as high.

Foremost among promised deliveries are 311 M60 tanks, 40 F16 advanced fighters, 1,000 armed personnel carriers, and help in improving air defence

For some years now the U.S. has been supplying about half Egypt's economic aid. For 1981-82, about \$1.1bn is being requested from Congress. This is virtually the same as in previous years, and aid between 1975 and 1980 has totalled \$4.7bn.

There is unlikely to be any reduction in aid, for the inviolability of the size of Egypt's aid from the U.S. is now uttered virtually in the same breath in Congress as Israel's.

On the Middle East problem itself, Mr. Sadat was initially apprehensive that Mr. Carter's defeat might bring about the abandonment of the Camp David peace pact with Israel or even U.S. backing for an alternative leader in Egypt. But President Reagan's campaign comments have since been forgotten in favour of the more sober assessments coming out of Washington.

Zhao in talks with Carrington

By Charles Smith in Peking

CHINA'S current economic difficulties have had no political side effects and have made no difference to the leadership's determination to open the country to the outside world. This was stressed yesterday by Chinese Premier Zhao Ziyang in discussions with Lord Carrington, the British Foreign Secretary.

The main thrust of Mr. Zhao's analysis appeared to be that the current readjustment policy was positive rather than negative in intent and that it would eventually pave the way for more rapid economic growth.

Apart from painting a generally hopeful picture of the prospects for the economy, Mr. Zhao appears to have told Lord Carrington that China would try hard to accommodate British interests in specific areas where economic rationalisation is under way. No discussions took place about specific British contracts liable to be affected by readjustment.

Premier Zhao's meeting with Lord Carrington followed a second session of talks yesterday morning with Foreign Minister Huang Hua at which the Chinese side showed a reluctant attitude to the question of Hong Kong's future

The Hong Kong issue should come up again today, at the last formal round of talks on Lord Carrington's programme, with Vice-Chairman Deng Xiaoping.

WORLD TRADE NEWS

German groups win £300m building orders from Iraq

BY ROGER BOYES IN BONN

WEST GERMAN companies have won a string of orders from Iraq with a total value of at least DM 1.4bn (£300m).

The contracts—for highway construction and a cement works—reflect Iraq's ambitious plans for reconstruction and infrastructural investment and are the latest in a flood of Iraq orders placed with German companies over the past two months.

Executives from the Munich-based company Dyckerhof and Widman disclosed yesterday that, together with another construction specialist, Bilfinger und Berger, it had won an order worth some DM 900m for a 120-km fast-lane highway, complete with bridges, to be built near Basra. This is close to the war zone in the Iran-Iraq conflict.

Industrial officials said yesterday that a second highway contract has been clinched between Iraq and a consortium including Strabag and Pulensky und Zoellner of Germany and Universale of Austria. Company executives could not officially confirm the order, apparently because they are waiting for a full report from their representative offices in Iraq. But it is understood that the contract is for a road near the Jordanian border, and that its value approaches that of the other highway order.

The cement works is to be built at a cost of DM 500m by KHD Humboldt Wedag of Cologne, a subsidiary of Kloeckner Humboldt Deutz.

KHD executives announced yesterday that the Iraqi Ministry of Industry and Minerals had ordered the turnkey project which, when it comes on stream in 1984, should have an annual output of 2m tonnes of cement. It will be built in south-west Iraq at a town called Samawa.

The revival in German trade with Iraq—despite the Iran-Iraq conflict—is at least partly because of the willingness of Hermes, the German export credit insurance organisation, to resume credit guarantees for the country. Hermes had in the early stages of the war frozen a number of formal applications for credits but recently relented on condition that orders involved were not in the immediate war zone.

It remains to be seen how this will affect the Dyckerhoff und Widmann highway contract, but certainly Strabag executives are confident that the first part of the financing for their project will be at least partially covered by Hermes.

French invest in coal ports

BY WILLIAM HALL, SHIPPING CORRESPONDENT

SEVERAL French ports are investing heavily in new coal terminals to cater for the expected surge in coal imports and the introduction of giant coal carriers over the next decade.

France is already the largest coal importer in the EEC and plans to reduce its dependence on imported oil by more than a third over the next decade.

The port of Marseilles-Fos, a newcomer to the coal trade, has one of the most ambitious expansion programmes. Last year, it imported 0.8m tonnes but by 1990, plans to be importing over 12m tonnes and will have invested FFr 550m (£50m).

It is building a third deep-water berth and by next spring will be able to handle coal ships of up to 140,000 dwt. Later this year, it plans to start work on a fourth deep-water berth, capable of accommodating ships of up to 250,000 dwt, which should be operational by 1984-1985.

The port is investing in conveyor systems to service a large coal storage area. Marseilles hopes to act as a major transhipment port for Italian and Spanish coal imports in addition to French traffic.

Dunkirk, France's leading coal port, has just announced a FFr 350m investment in a new bulk cargo terminal which will increase its coal capacity by 50 per cent to 12m tonnes a year.

The new berth will be able to handle coal ships of up to 170,000 dwt when it is commissioned in early 1983. It is also studying plans to double the size of the new terminal later in the decade.

Le Havre, which imported 7m tonnes of coal last year, has started work on a new coal terminal which will store and prepare imported coal for industry.

Industrial coal use is scheduled to grow rapidly over the next few years and French industry has been set a target of increasing its coal usage from 3m tonnes a year to 20m tonnes a year by 1990. This is in addition, to normal power station consumption of coal.

Rouen, France's traditional coal port, also plans to handle an increasing amount of coal.

Korean shipyard wins another Norway order

By Fay Gjester in Oslo

A NORWEGIAN shipping consortium, which ordered two bulk carriers of 60,000 deadweight tonnes each from a South Korean yard last December, has now taken up its option to order two more, at an estimated price of $58m for the two. The consortium — the Norman group — has an option to order a fifth and sixth vessel from the yard, Samsung Shipbuilding, of Pusan.

Hawker plans 'one-group' show at Tokyo centre

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THE HAWKER SIDDELEY group is planning to stage a "one-group" show at the British Export Marketing Centre in Tokyo next October. This will be the first time that the Centre, usually used for industry wide exhibitions, will have been used to display products of a single exhibitor.

Hawker Siddeley expects about 24 of its 140 member companies to take part in the exhibition. The company will probably spend £100,000 on mounting the show, although the precise figure depends on a share out of costs with the British Overseas Trade Board (which operates the Marketing Centre).

Hawker Siddeley opened an office in Tokyo two years ago to explore the possibility of increasing its Japanese sales which are now worth around $10m per year. The sale of two electrical testing devices for diesel engines to Komatsu in the past three months is seen as a possible pointer to sales growth.

If the Hawker "one-group" show at the marketing centre proves successful, other major British companies may follow suit.

Ewbank expands overseas

BY OUR WORLD TRADE STAFF

EWBANK AND PARTNERS, the Brighton-based consulting engineers, said yesterday it expanded its international activities in 1980 despite the world recession, commencing work in 55 countries and undertaking 125 new assignments.

The company said the total capital value of these projects in hand amounted to some £4bn.

In a year-end statement, the company stated that major design and engineering contracts were commenced for clients in Africa, South America, the Middle East and Far East.

These included two power and water plants in Libya, a hydro-electric project in Kenya, power transmission systems in Ghana and Malaysia and a heavy oil steam injection recovery system for Vanezuela.

Kevin Rafferty describes how a British colony's clothing industry is moving upmarket

Hong Kong steps into haute couture

ALONG THE catwalks of the Paris International fashion salons Hong Kong will this weekend demonstrate that its clothing industry has moved from cheap sweat shop products and into the rarefied world of the highest designer fashions.

For the first time there will be a Salon de Hong Kong at the Paris Prêt à Porter Feminin show which opens April 4. The five day show will be attended by about 50,000 international buyers from all the important big name stores and fashion houses. A special 5,000 square metre Chinese village has been designed at the Paris show to mark the occasion of the tiny British-run Territory's entrée to the Mecca of fashion.

Hong Kong's clothing industry has been steadily moving up market. For some years a number of local manufacturers have found their staple earnings in making garments for internationally renowned companies: Levi-Strauss, Wranger, Fred Perry, Gloria Vanderbilt, Calvin Klein, Balmain and Pierre Cardin are all tags which are stitched into products made in Hong Kong for the parent house.

Indeed some experts consider that the Hong Kong-made items are superior to those turned out in the European or American headquarters of the parent groups as the finishing and stitching is often superior.

In addition, many mail order companies and big stores in the industrialised world have large standing orders with Hong Kong manufacturers to produce garments to their specifications into which the big stores brand label can be sewn.

The big recent breakthrough has been the growing international acceptance of fashion clothes completely designed and made in Hong Kong. It is one thing to tailor clothes to someone else's design and specifications: it is a big step forward for Hong Kong to get its own designs accepted by the international fashion buyers. In February Harrods of London placed direct orders with Hong Kong houses, and now after long patient negotiations, Hong Kong is about to make its debut on the prime Paris stage.

Messrs. Andrew Lam and Rene Osario, two of the younger generation of local designers, say Hong Kong must "get out of the nickel and dime stores where we will increasingly face tough competition from rival countries which have cheaper labour costs."

These countries are beginning to include not only South Korea and Taiwan but newcomers like Thailand and even Brazil, which has much lower transport costs on shipments to the U.S., the world's largest market.

Messrs. Lam and Osario point out that by attention to design, detail, quality and workmanship, the value of garments can be increased by much more than the extra cost of labour and time.

Their own collection, under the Oasis label, is clearly aimed at the classy middle class of the profesisonal world in the industrialised countries.

"We see our clients as doctors, dentists, the middle and professional people who want to be well dresesd and up to date with fashion."

However, the bulk of the Hong Kong textile and garment industry is still concentrated at the cheaper and volume end of the business. The Harrods buyers who were impressed by the quality of Hong Kong work complained that there was "a volume problem," in that manufacturers wanted the security of bigger orders and longer production runs than they (Harrods) were accustomed to in the fashion trade.

Hong Kong's "rag trade" is taking on a new sophistication as its products go on show in Paris.

The bigger, richer and more entrenched textile and garment makers like the security of volumes and long runs. If they experiment they will be most tempted to cut costs via automation and more modern equipment.

The younger designers find it increasingly difficult to break in. Messrs Lam and Osario, for example, employ only six people in their own workshops —not enough to build variety let alone a fashion collection. The answer would be for manufacturers to experiment and keep at least part of their capacity for specially-designed goods. This might also allow designers to farm out a collection among several manufacturers, with shirts made by one, slacks by another, blouses by a third, skirts by a fourth, accessories by yet another.

The value of say a small order of 20 fully designed fashionable shirts might be worth as much as a cheap volume run of 200 garments.

However, another problem is that the cut-throat competitive atmosphere of Hong Kong has easily bred suspicion and a refusal to share information that might be regarded as a company secret.

The Hong Kong Trade Development Council has managed to get companies together to plan promotions and to share information about the "in" colours and styles of the coming fashion season.

Officials recall that it has been an uphill struggle. One said: "Previously, the only occasion that manufacturers would come together was to fight the latest round of quota restrictions. Anything else was regarded as top secret."

Many manufacturers question whether the risks of trying to catch the latest fashion wave are worth it, especially given the small orders. The simple arithmetic of low costs and large orders and no worries about the temperamental designs and designers is dear to typical Chinese textile hearts.

But with protectionist trends in the rich industrialised countries running strong and with battle bubbling up over upcoming talks to renew the Multifibre Arrangements (MFA), there is another school of thought that Hong Kong has to leap ahead of the old-fashioned industries of the West and to gamble that you cannot put quotas on good taste.

Canada lifts uranium ban for France

By Our World Trade Staff

THE Canadian Government has dropped a ban on exports of uranium to France and several truckloads from the Cluff Lake mine in Saskatchewan are being processed for shipment to France.

The Canadian Government has made an interim arrangement to satisfy nuclear safeguard requirements based on a 1978 agreement reached with the European Economic Community.

Canadian officials hope a formal agreement will be ratified by the French Parliament within a month. But the present French Presidential election campaign may delay ratification until the autumn.

The French have apparently agreed to inspection of civilian nuclear reactors and will follow fuel reprocessing guidelines contained in a 1978 agreement reached between Canada and the EEC. Inspection of the reactors will be carried out by the International Atomic Energy Agency.

The Cluff Lake mine, located in Northern Saskatchewan, is operated by AMOK Ltd., which is controlled by a consortium of French private companies and state agencies.

The mine contains some of the world's richest uranium ore deposits that averages 7 per cent uranium, in an industry where 0.2 per cent is considered profitable.

External Affairs officials said Canada will not conclude any new sales to other non-signatory nations.

Multinational control of textiles 'ominous'

BY BRIJ KHINDARIA IN GENEVA

A HANDFUL of powerful multinational companies heavily influence the world's textiles and cotton trades, forcing developing countries to accept prices set by foreign buyers or commodity exchanges perpetuating their technological backwardness according to a new report by the UN Conference on Trade and Development (UNCTAD). The concentration of power in a few corporate hands also has ominous effects for industrialised countries.

It is a main cause for closures of small and medium-sized enterprises and of unemployment. Rivalry among world-wide giants also burdens taxpayers in countries of the parent companies because Governments cannot allow such large enterprises to go bankrupt.

The report cites hearings conducted by U.S. Congress to show that the textile, clothing and chemical fibre industries will continue to become more capital intensive, causing large job losses in the 1980s.

Common Market experts expect that rationalisation of the textile industry alone will add 2m workers by 1985 to the 6.5m unemployed currently.

The industrialisation process has divided developing countries into three categories — the rapidly advancing sextet of Hong Kong, Taiwan, South Korea, Brazil, Mexico and India; a larger intermediate group, and the largest backward group which imports almost all its manufactured goods.

The gap between the first and third categories has widened faster than that between industrialised and developing countries in general.

While the fastest-growing group of countries is able to counter some of the market power of transnational companies, it is also the group worst hit by import curbs in the U.S., Europe and Japan, the report notes.

Some members of this group are experiencing problems similar to those of wealthier countries. For instance, Hong Kong now contracts with Chinese plants to sew large quantities of clothing sold to Western countries.

The strongest grip of about 15 multinational companies is over the world's $6.1bn cotton trade, the report says. The result is that some cotton producers get only 2 per cent of the retail price of clothes made out of their exports.

The textile industry is slightly more competitive. The market is dominated by about 30-40 large companies. Global textile exports reached $60bn last year, equalling 3 per cent of world trade.

Way cleared for £500m Channel electricity link

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE GOVERNMENT yesterday removed the last significant hurdle in the way of a £500m cross-Channel link between the British and French electricity supply systems.

Mr. Michael Heseltine, the Environment Secretary, and Mr. David Howell, the Energy Secretary, have given the Central Electricity Generating Board planning permission for a converter station at Sellindge, Kent, an essential part of the scheme.

The ruling follows a long campaign by local residents to have the converter built at Dungeness, already the site of two power stations, rather than at Sellindge, 12 miles inland from Folkestone.

Welcoming the Government's decision, the CEGB said the main work on the site was expected to start by midsummer. The first stage of the project is likely to be commissioned in 1985 and the second stage in 1986.

The trenched subsea cable link will improve electricity supply security on both sides of the Channel and enable the CEGB and Electricite de France to supply power more economically than they could separately.

Time differences between the two countries mean that their peak electricity consumption comes at different times — allowing maximum demand to be met by cheaper cross-Channel supplies. The project could pay for itself in five years.

The link will have a capacity of 2,000 MW — roughly the same as a large power station — and will be built in two stages of 1,000 MW. It will supersede a small 160 MW line which has linked Dungeness and Boulogne for nearly 20 years.

Electricity will be carried across the Channel by direct current. The converter station will change this into alternating current for use in the British grid system, and vice versa when the UK is exporting power.

The costs are being shared by Britain and France, with the CEGB's total now estimated at about £250m.

Following a public planning inquiry, the Government gave final financial approval for the first 1,000 MW stage in July last year, but left open the question of the converter site.

It asked the CEGB to see whether there was any possibility of running the cross-Channel cable from Sangatte, France, to Dungeness, by way of the Varne in mid-Channel. This was suggested by protesters, rather than a link with Folkestone and on to Sellindge, as planned by the Generating Board.

The CEGB reported back that trenching and cable laying to Dungeness was not feasible because of the hard rocks and steep seabed gradients.

The public inquiry reopened briefly last month to consider this and other evidence on alternative routes, but the inspectors finally told the Government there was "no present or foreseeable feasible method by which the necessary cables could be laid between Varne and Dungeness."

Accepting this, the Government said yesterday that national need for the cross-Channel link outweighed planning objections at Sellindge, provided the CEGB took suitable steps to reduce the impact of the station on the surrounding area.

Planning conditions laid down by the Government include the provision of a basement to reduce the height of the main, 80 ft tall, converter building.

Big arms sales to Gulf states likely

By Michael Donne, Defence Correspondent

ARMS SALES to Gulf states worth several hundred million pounds are likely in the next few months as a result of the recent visit to the area by Mr. John Nott, Defence Secretary.

Mr. Nott said on his return from Saudi Arabia, Oman, Qatar, Abu Dhabi, Dubai and Bahrain: "It is for the customers to go into detail about sales if they wish, but the Middle East has been a good market for us and I am quite clear that it will continue to be so.

"The Gulf countries dislike their equipment requirements being debated publicly in the West, so that it is not in our interest to be too specific.

"But there are a number of major potential contracts, and I made it clear that the Government, and my Department, was ready to give all help to bring these to fruition."

Although declining to be more specific, Mr. Nott said the Rapier anti-aircraft missile and the Hawk light combat and trainer aircraft were included in his discussions.

Mr. Nott's 10-day visit was also aimed at demonstrating the very strong UK interest in the region, politically, economically and militarily.

He said that, as regards more direct military help, all the governments he talked to were clear that they faced a threat from Soviet adventurism.

"I made it clear to all the countries I visited that, if so invited, and probably in concert with our major allies, we were ready in an emergency to consider the provision of limited military help.

"I explained our capability to give such support and our plans to improve the flexibility of our forces. I found an understanding and a welcoming of our position on this.

The question of the U.S. plan for a Rapid Deployment Force for the area was not raised by the Arabs. But Mr. Nott had made it clear that the UK would intervene militarily only as and when invited by the Gulf states.

Unionist 'cowboys' condemned

BY STEWART DALBY IN BELFAST

POLITICIANS of all complexions in Northern Ireland have condemned the latest quasi-military hillside demonstrations of Mr. Ian Paisley's Democratic Unionist Party.

Mr. Michael Canavan, the Social Democratic and Labour Party's law and order spokesman, said: "The midnight cowboys of the Democratic Unionist Party have once again demonstrated their contempt for the democratic process by three more stop-at-nothing rallies."

An estimated 1,000 men demonstrated in the middle of the night in three places in the province, close to Newry in Co. Down, in Co. Tyrone and close to Armagh.

None of the men was armed but many wore masks and paraded in a military fashion. Mr. Ian Paisley was not at the marches as he is in America on a preaching tour.

His place was taken by Mr. Peter Robinson, the DUP deputy leader and the Westminster MP for East Belfast.

The demonstrations were the third phase of the party's campaign against the Dublin summit between Mrs. Thatcher and Mr. Charles Haughey, the Irish Prime Minister.

Mr. Paisley has said there is an Anglo-Irish plot aimed at weakening the constitutional links between Northern Ireland and Britain.

Earlier this year 500 men paraded on an Antrim hillside in the middle of the night waving firearms' certificates.

There were subsequently 12 Carson trail rallies, named after Sir Edward Carson, considered the father of the Ulster state when it was founded in the 1920s.

Mr. Paisley wants to keep loyalist feelings high in anticipation of the district council elections on May 20. But he was condemned yesterday by Mr. Harold McCusker, the official Unionist MP for Armagh.

Mr. McCusker suggested Mr. Paisley is angry because he has been out-manoeuvred in the forthcoming by-election in Fermanagh-South Tyrone. Only one candidate is standing on the Unionist side, Mr. Harry West, the former leader of the official Unionists.

Mr. McCusker said while no one was surprised any more by the DUP's antics, the hillside demonstrations could only harm unionist chances.

Two of the three demonstrations passed off peacefully but there were scuffles with the police who came across the demonstration in Tyrone. Twenty-three people were arrested but later released. It was not clear last night if they would be charged.

Kenneth Gooding on the latest addition to the BL range

Leyland Bus launches the Tiger

LEYLAND BUS, one of BL's more profitable subsidiaries, today completes the updating of its range by launching the Tiger, a long-distance coach.

The Titan double-deck bus is being relaunched this week as the first Titans to be made at Workington leave the assembly line.

The Titan has been out of production since last June when Leyland closed its Park Royal plant in North London.

Final revamping of the range coincides with the latest restructuring of BL management which has given Leyland Bus much more autonomy under Mr. Kenneth Maciver, its managing director.

The Tiger is launched when the UK market for long-distance coaches, worth about £25m a year, is depressed. Last year's sales of 2,682 coaches seem likely to fall below 2,500 this year, but even so Leyland expects to sell 100 to 200 Tigers this year.

It lost market share because it had to rely on the 20-year-old Leopard. This encouraged Continental manufacturers to try their luck. Volvo in particular has done well, building up market penetration from below 4 per cent in 1978 to 14.7 per cent last year.

Mr. Maciver says Leyland, with Tiger's help, can recover from the 27.8 per cent last year to 30 per cent.

Production of the lower-priced Leopard will continue. Like the Tiger, it is made at Leyland, Lancs.

Investment in Tiger was kept at a reasonable level because off-the-shelf components were used. For example, the coach shares the TL11 engine with the T45 Cruiser truck. The air suspension system is the same as that shipped to BL's subsidiary in Denmark, DAB.

The Tiger's launch was preceded in Tangiers by a programme of familiarisation for operators —and, it seems, for locals

Operators are offered a choice of Leyland's semi-automatic or automatic transmissions (and for the first time have the option of a German-made ZF synchromesh gearbox).

Output begins in August for overseas markets, where Tiger replaces the Worldmaster which went out of production five years ago.

Mr. Maciver says that for both buses and coaches, the priority will be to regain lost ground in traditional Leyland markets such as Australia, New Zealand and areas of the Far and Middle East.

In most parts of Europe, Leyland Bus will have to rely heavily on its sister truck company, which is about to renew efforts with the T45 range.

The double-deck bus side of the business is operated via Bus Manufacturers Holdings, jointly owned by Leyland, which has management responsibility, and the State-owned National Bus Company. Bus Manufacturers recently reported a taxable profit of £4.2m for 1980.

This year the UK double-deck bus market is in crisis, caused partly by the pressure on local authorities to cut expenditure and partly by the phasing out of the bus grant. This has contributed up to 50 per cent of purchase costs but ends in 1984.

Leyland expects the double-deck bus market to fall from last year's 2,277 (of which it accounted for 1,570) to well below 2,000 in 1981.

The Titan, an up-market double-decker with a fully-integrated design, will be made at the rate of five to eight a week at Workington. Leyland expects to deliver 150 this year.

It is a UK-only bus, with the major part of its output destined for London Transport.

The lower-cost chassis-frame Olympian introduced at the Birmingham Motor Show last autumn will meet British demand for buses with purpose-built bodies, and for a hard-working vehicle for overseas markets.

Call to relax licensing laws and raise alcohol duty

BY GARETH GRIFFITHS

BRITAIN'S licensing laws should be relaxed and the duty on alcohol increased to encourage more responsible drinking and cut down consumption, a report* published yesterday concludes.

The Office of Health Economics says if alcohol-related damage to the community is to be checked, the Government should allow for health and social welfare considerations in its taxation on drink.

About one in 10 male drivers breaks the drinking and driving laws each week and average consumption is equal to almost two gallons of pure alcohol a year per head of population, it says. The report suggests there are 3m heavy drinkers in England and Wales of whom 700,000 are problem drinkers and 150,000 are alcohol dependent. Those most at risk are young men at work.

The Office of Health Economics wants the emphasis to be concentrated on primary prevention. Measures could include random breath testing for drivers, the introduction of school courses on how to drink with reduced risk, stricter advertising controls and higher alcohol prices.

An anti-alcoholism lobby along the lines of the pressure group, Action on Smoking and Health (ASH), should be set up and licensing laws relaxed to allow Continental-style cafe-pubs to operate. These could provide a more relaxed atmosphere, where children could learn to drink in moderation in a family atmosphere.

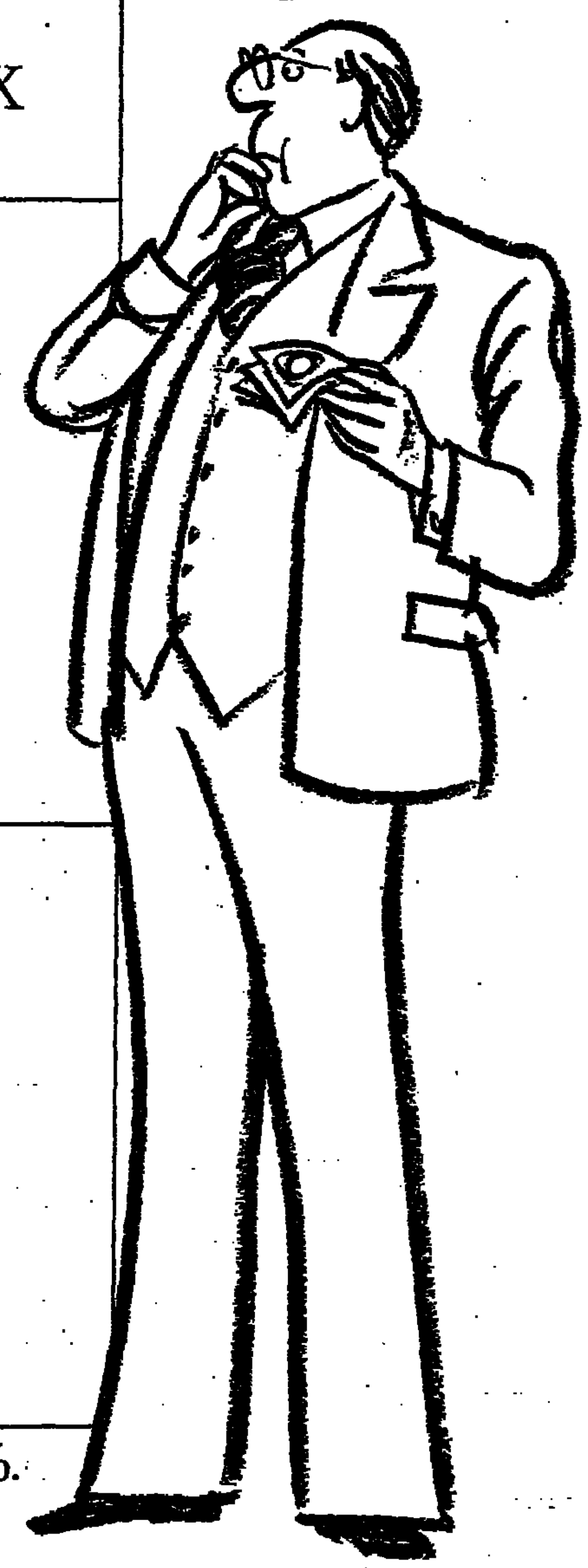
The report is broadly in line with recent work by Government departments and the National Council on Alcoholism. Researchers in the field are afraid the main obstacle to effective Government action is fear of electoral unpopularity.

The Office of Health Economics is also worried that some of its reforms may be opposed by both the drinks industry and the anti-drink lobby.

Alcohol: Reducing the harm. Office of Health Economics. Association of British Pharmaceutical Industry, 12 Whitehall, London, SW1.

How can a basic rate tax-payer get 34% more net interest on 7 day money?

	INTEREST OR GROSS EQUIVALENT	NET OF BASIC RATE TAX
Clearing Bank Deposit Account	9.00%	6.30%
Abbey National Share Account	**12.14%***	**8.50%**



*Equivalent gross rate where income tax is paid at a basic rate of 30%.

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Currently, Abbey National Share Accounts –which will normally pay up to £250 cash (£2500 cheque) on demand –outperform normal Clearing Bank 7-day deposit accounts by a staggering margin, as the table above shows.

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Gold and currency reserves decline

By David Marsh

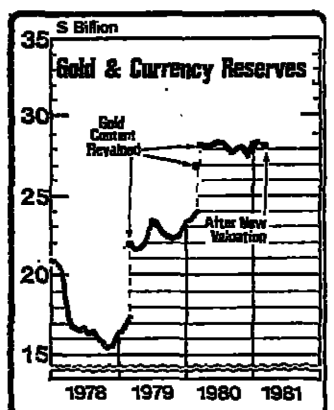
BRITAIN'S official gold and foreign currency reserves fell $22m to $28.21bn at the end of March, *mainly because of a drop* in the value of UK holdings of non-dollar currencies, the Treasury said yesterday.

Transactions during the month produced a rise of $35m. But this was counterbalanced by a decline of $257m resulting from the annual end-March change in valuation of the non-dollar part of Britain's reserves.

The value of the gold reserves was raised slightly — by just under $300m — as a result of the small increase in the gold price over the 12 months to the end of March.

But the Treasury has lowered by nearly $600m the value of Britain's official stocks of European Currency Units, Special Drawing Rights and non-dollar currencies, believed to be mainly D-Marks. This reflects the general rise of the dollar against other major currencies during the 12 months.

Leaving aside the effect of the asset valuation changes, and also making allowance for public sector foreign borrowing and debt repayments during the month, the reserves showed a small underlying increase of $51m in March.



This indicates that the Bank of England allowed sterling a fairly clean float on the currency market last month by making hardly any purchases or sales of foreign exchange.

The new gold valuation puts a valuation of about $385 per ounce on 80 per cent of Britain's bullion reserves, compared with valuation price of $371 which had been in force since March, 1980.

This price does not apply to the 20 per cent of Britain's roughly 730 tonnes of bullion held in the central fund of the European Monetary System.

The price is set at 75 per cent of the London fixing price *on March 31, which* was $514 per ounce.

The Treasury has not provided details of the new valuation of Britain's stocks of ECUs and non-dollar currencies. The Treasury and the Bank of England have traditionally refrained from giving clues about the currency composition of Britain's reserves.

However, based on data revealed about a year ago, non-dollar currencies are thought to make up between 25 and 30 per cent of Britain's currency holdings—or the equivalent of about $5bn.

Public sector foreign loan repayments *last month totalled* $176m, while new borrowings were $160m.

Repayments were led by the National Water Council, which paid back $104m, and the *Electricity Council ($50m)*.

Among new loans raised, British Airways borrowed $105m and the Post Office $45m.

British Petroleum limits oil output in Forties Field

BY RAY DAFTER, ENERGY EDITOR

BRITISH PETROLEUM has cut production from its Forties Field, the most prolific oil discovery in the North Sea. It is likely output will be trimmed further this summer.

Production in the next quarter will be 15,000 barrels a day less than the average in the past three years. It is the first time BP, as operator of the field, has officially reduced production levels.

The 15,000 b/d cut reduces gross North Sea revenues by more than £250,000 a day at present prices.

BP's decision has been taken in the light of the Department of Energy's views on depletion. Mr. David Howell, the Energy Secretary, has said there is a need to flatten the hump of surplus production capacity in the next few years.

But the main reason given for the April 1 cut is BP's desire to carry out maintenance work on the four-platform production system in the next few months.

BP has been given Government permission to reduce production in the next quarter from the annual average level of 500,000 barrels a day to about 485,000 b/d. In the past three months, output has been averaging 520,000 b/d.

It is expected BP may ease production even further from July 1, *although in the industry* it is thought the Forties reserves would support a production rate of 500,000 b/d for at least another year.

The Forties Field, 125 miles north-east of Aberdeen, is one of the most important reservoirs in the North Sea. It is providing almost a third of British oil production.

As part of the licensing terms, BP must receive quarterly Government consent for its production plans. It is thought the company was aware it would not receive Government permission for a continuation of 500,000 b/d production. It decided to apply for a lower figure, partly not to embarrass the Energy Department which might otherwise have been forced to make a cut-back order. Consequently, yesterday's authorisation was in line with BP's request.

Recoverable reserves of the Forties Field are put at about 2bn barrels, of which BP owns 96.05 per cent. Shell and Esso own the remaining portion of reserves which lie in their South-East corner of the field.

BP, Shell and Esso are looking at schemes for improving oil recovery from the South-East corner of Forties. It is likely the group will decide to use seabed well systems linked to the four steel production platforms, although it is also possible the companies will order a further platform.

Tax structure changes are one reason why BP, Shell and Esso are re-evaluating development schemes for the South-East part of Forties.

Guy de Jonquieres looks at plans to re-launch a TV factory

Toshiba takes on a salvage mission

FROM the enthusiasm aroused yesterday by Toshiba's plans to re-establish television production in Plymouth, it might have seemed as though the Japanese electronics company was embarking on a maiden voyage. Instead, it is returning on a salvage mission.

The enterprise will be built out of the wreckage of Rank-Toshiba, its former joint venture with the Rank Organisation.

The joint company, formed in 1978 out of Rank's television *operations* and a £3m cash injection by Toshiba, was wound up earlier this year after incurring mounting losses.

The collapse of Rank-Toshiba is the first significant failure by a British company in which there was a significant Japanese participation. Though Toshiba held only 30 per cent of the shares, it appointed the joint venture's chairman and had an important say in its *organisation and management.*

Substantial investments were made in modern production equipment, using the latest Japanese technology. But volume never reached profitable levels, partly because of weak demand for televisions on Continental markets for which a sizeable share of output was earmarked. At its peak, production *was running* at an annual rate of 270,000 sets, well below the target level of 350,000 sets.

Toshiba is confident that by aiming for lower output and by extracting only the most efficient parts of the operation, it can build a viable business. It says it expects the new venture to be in profit after about two years.

Output in the first year is forecast at *about 100,000 colour* sets, and is then expected to gradually grow. There are to be six models, all of Japanese design, with screen sizes ranging from 16 to 26 ins. A new chassis, equipped to receive teletext and viewdata information services, will be introduced within two years.

Most of the output will be destined for the British market, where it will be distributed through Toshiba's own marketing network. Toshiba is not interested in continuing production of Rank sets, some of them based *on older technology,* which sold under the Bush, Murphy and Arena brand names.

The key to the new approach lies in the much smaller labour force required. It calls for a total of only 300 people, compared with the 3,000 staff employed by Rank Toshiba when it was first set up.

Toshiba, starting with a clean slate, has been able to strip the *new operation to its bare essen*tials. There will be no local design and development facilities. All production will be carried out on an assembly line installed in 1978-79, said to be the most modern in the world, which will occupy only part of the Rank-Toshiba's rambling Plymouth factory.

Toshiba says it plans to invest a further £3m in the operation, on top of the £3m it injected into Rank-Toshiba. It has also had to pay out undisclosed sums to Rank to purchase the Plymouth facilities and as its share *in the cost of closing the joint* venture.

But, industry sources believe, the total cost is probably not significantly greater than Toshiba would have had to invest if it were starting the project from scratch today.

No such consolation exists for Rank and its shareholders. The company has totally abandoned television manufacturing and last year had to write off £18.8m on the cost of closing Rank-Toshiba and Rank Radio International, its marketing subsidiary. That was in addition to bearing 70 per cent of the joint venture's losses.

Pilkington tells unions of plan to cut workforce by further 1,100

FINANCIAL TIMES REPORTER

GLASS GROUP Pilkington has told unions that it wants to *reduce its UK labour force by a* further 1,100 from about 20,000. The cuts, which the company hopes can be achieved by voluntary severance, follow a reduction of 1,900 jobs last year at various group locations in Britain.

The group lost about £7.6m in UK on reduced turnover of £184m in the six months to the end of September, and City forecasters believe the loss for the year in Britain will be at least £10m when the results are published in July.

However, overseas activities have not been so badly hit, so *that the group was able to re*port overall profits in its first half of £32.3m on sales of £324.7m.

The severe decline in the UK construction industry and the *fall in demand for vehicles* are the main reasons for the further workforce reduction. The cuts will affect 548 manual workers, 113 tradesmen, 258 staff and 200 managers, mostly at St. Helens, the company's headquarters. Subsidiaries at King's Norton, Birmingham, and at Doncaster will also be hit.

The company warned last autumn that its competitive position in the UK had worsened as a result of high inflation, wage increases and the strong pound.

The group is completing a £100m investment programme at St. Helens in new float glass and fibreglass production facilities, aimed at improving efficiency *and reducing costs. The new* plants, however, are designed to operate with substantially lower manning levels.

The cuts will add to an already serious unemployment problem in St. Helens where Pilkington and a number of other glass producers remain the major sources of manufacturing jobs. The jobless total in the town is more than 14 per cent.

ITT Components Group will make 160, over half the workforce, redundant at its Wrexham plant in July. It blamed the Budget for finally triggering the job losses.

The company said the site, which produces capacitors for use in white goods and other consumer electronics, had been losing money for several years because of a decline in demand. *It has been on short time for* the past eight and a half months.

"After further substantial losses in 1980, followed by the latest Budget, it became essential to take action which would *save the site and reduce losses,*" the company said.

Wrexham's aluminium electronic capacitor line was no longer viable on its own and would be transferred to ITT's plant at Weymouth, where the major production facilities are located.

But ITT plans to instal a new product, controlled release glass, in its place.

Charles Doody and Son, of Crewe, Cheshire, which makes uniforms for some of the *country's top public schools,* is to close in the summer, with the loss of 100 jobs. The company is being taken over by F. W. Harmer and Co., of Norwich.

The Beehive, *the oldest de*partment store in Whitehaven, Cumbria, is to close after 91 years with the loss of 30 jobs. It has been bought by J. Mackay, of Paisley, drapery stores group.

Hunton International's Fakenham, Norfolk, factory will close its entire division, which makes axles for agricultural machinery. Thirty staff out of a total of 40 are to be made redundant.

Morlands, sheepskin manufacturer of Glastonbury, Somerset, announced redundancies for 40 operatives and 20 white collar workers at its tannery yesterday.

● UP TO 350,000 Midland jobs are at risk, Mr. Steve Rankin, director of the West Midlands region of the Confederation of British Industry, said yesterday.

He warned that the region, where unemployment had more than doubled in less than 12 months, could suffer as the Government's Temporary Short-Time Working Compensation Scheme ran out.

He said the fact that 350,000 people were being supported by the scheme was "staggering." Local industrialists were "gravely worried."

Building society chief predicts end of interest rate cartel

BY MICHAEL CASSELL

THE BUILDING society interest rate cartel is unlikely to operate for much longer, according to Mr. Leonard Williams, chairman of the Building Societies Association.

In a clear indication that the controversial cartel could soon be abandoned, Mr. Williams told the Yorkshire County Association of Building Societies the current recommended interest rate system was rapidly proving to be incapable of standing up under pressure from external and internal competition.

His comments come when the societies are beginning to feel the full impact of competition from the Government for funds in the personal sector and when growing numbers of building societies believe the usefulness of the recommended rate system has run its full course.

It seems possible the Building Societies Association could later this year decide to stop making any recommendations about interest rates, especially if net receipts continue to suffer at the hands of other competitors and if interest rates generally fall further.

Given the strength of competition for personal savings the societies are reacting in different ways, making any consensus increasingly difficult to maintain. The feeling is that if the cartel is to go, then an "orderly disintegration" would be preferable.

Net receipts in March are thought to have fallen—as a direct consequence of competition from National Savings—by about £150m to about £225m. Some societies believe the net figure for April could be as low as £150m.

Mr. Williams said it was not generally recognised how far individual societies had departed from the recommended interest rates. Most large societies paid the recommended interest rate on basic savings accounts and charged the recommended rate on basic mortgages, *but almost every* society had a variety of savings schemes on which higher rates were paid accounting for an increasing proportion of savings.

Such competition, however, meant higher charges for home loans, and about half all new mortgages carried a higher-than-recommended interest rate.

The recommended *interest* rate system operated by the societies has come under increasing pressure from critics, who say its abolition would end the wild fluctuations in mort*gage availability* and make societies more efficient.

Societies have warned that higher interest rates will result from a free-for-all, although many of them would welcome *the ending of a base mortgage* rate which has sometimes inevitably caused them political problems.

Britons ate less last year

THE BRITISH ate less last year *than in 1979, according to* Agriculture Ministry figures released yesterday.

A report in British Business, the Trade and Industry department's publication, said the decline in consumption may not be as great as a fall in supplies might suggest, because of changes in the level of food stocks.

In energy terms the food supplied was equivalent to 2,880 kilocalories per person per day, compared with 2,950 in 1979 and 2,920 in 1978.

Supplies of dairy products, meat, eggs, sugar, coffee, grain and alcohol fell, but supplies of fish, fruit, vegetables and tea increased.

Recovery 'in 1983'

A RECOVERY in construction activity could be delayed until 1983, Mr. Basil Gwyn, retiring president of the National Council of Building Materials, warned yesterday. He appealed for increased Government spending on infrastructure, particularly roads and sewerage.

Mr. Gwyn said: "This year capital investment in our infrastructure will be less than two-thirds what it was in 1970. Investment in relation to our national product has been lower, in each of the past 25 years, than that of any of our main Continental competitors."

CBI tour starts

SIR TERENCE BECKETT, Confederation of British Industry director general, will today launch a nationwide tour, starting on Maidenhead, to debate the organisation's Will to Win economic strategy document published last month. Other stops include Glasgow, Leeds, Manchester, Birmingham and Bristol.

Liquidators' plan

ARRANGEMENTS to bring together separate legal proceedings begun by investors of Norton Warburg Investment Management were approved by a High Court judge yesterday. They were put forward by the company's joint liquidators and include appointing a receiver.

£1.75m replacement

ALBRIGHT and Wilson, part of the U.S.-based Tenneco group, *will spend £1.75m on replacing* a hydrogen production plant at Whitehaven, Cumbria. The hydrogen is for converting natural fatty acids to fatty alcohols, used in making detergents and toiletries.

Mainstop launch

INTERNATIONAL STORES, the supermarket subsidiary of BAT Industries, will hive off *its 19 superstores as a* separate retailing organisation called Mainstop, which will sell non-foods as well as groceries. It is backing its launch with price cuts of about 10 per cent.

BMA warning

THE British Medical Association told the Government yesterday its financial onslaught on universities was "an act of madness" which would harm research and National Health Service patients. Sir John Walton, president, said in an open letter to Mr. Mark Carlisle, Education Secretary, "Please think again before it is too late."

£10m for Sotheby's

SOTHEBY'S two-day sale of Impressionist and Modern paintings ended yesterday, bringing in a total of £10,051,150. I Begliarii by Chirico sold for more than double its estimate at £39,000, and a Toulouse Lautrec, Allegorie: Le Printemps de la Vie, did well at £26,000.

Pay rule welcome

THE Equal Opportunities Commission yesterday welcomed the European Court of Justice decision on women part-time workers' pay and said it should help some of the 3.7m such workers in Britain.

Methods for taxing petrol benefit

Financial Times Reporter

THE Inland Revenue has set out three possible methods for taxing the benefit derived by employees from petrol supplied by their employers.

This follows an announcement by the Chancellor of the Exchequer in the Budget that he intended to apply PAYE to such benefits from April, 1982.

The Revenue paper says the Government wants to introduce a single unified *method of petrol benefit tax*, covering all directors and higher-paid employees. This could take the form of:

● Quantification of the benefit by reference to the actual *cost incurred by the employer* in supplying petrol to the extent that it is used for private purposes (the "actual" method).

● The use of formulae agreed locally for application to individuals or groups of employees receiving petrol from particular employers (the "formula" method).

● A scale, similar to that used for measuring the benefit from a company car (the "scale" method).

Under the actual method the tax on the benefit would ordinarily be recoverable *through adjustments to the* PAYE coding. Under the scale method the benefit would be treated as pay for PAYE purposes, so the employer would apply PAYE to it directly month by month.

The Inland Revenue wants comments on the paper by May 15.

Reed plans to strengthen carbonless paper share

BY WILLIAM HALL

REED PAPER and Board, Britain's largest paper maker, has launched a marketing campaign to strengthen its share of the fast-growing carbonless copying paper market, dominated by Wiggins Teape.

Reed has been producing carbonless paper under licence from Nashua, a U.S. group, for 10 years. However, to better identify its product, it has renamed its Aylesford production unit Reed Carbonless Papers. It will market its product as Reed Nashua Carbonless Paper.

Carbonless papers, used in *business forms, are one of the* few growth sectors of the British paper industry. Britain uses more than 50,000 tonnes of carbonless paper a year and the market is growing at 10 per cent a year.

Reed believes less than 50 per cent of the market has been tapped.

Wiggins Teape holds about 40 per cent of the UK market with Idem, brand leader. Reed *and Dickinson Robinson,* which produces Croxley Transcript, each holds about 17 per cent. Reed has sufficient capacity to win an extra 10 per cent share in the UK.

Reed is backing its efforts with a national advertising campaign aimed at printers.

Pay TV plans delayed

BY ELAINE WILLIAMS

PLANS BY Rediffusion to introduce subscription television to the UK *have been delayed until* late summer.

The company said yesterday this was because it was experiencing difficulties negotiating rights to American-made films.

Although it was nearing agreement with British film companies such as Rank and EMI, Rediffusion was reluctant to start a full service without an assured supply of major U.S. productions.

The company, which expects to receive official permission from the Home Office to run pay TV, had hoped to be operating its service by the spring and be the first company in the field.

This may still be possible even though yesterday Philips Cable Television, which has licenses to run two schemes, nominated SelecTV to operate its system in Northampton. SelecTV said its system should be working by September mainly putting out feature films.

Five companies have been granted pay TV licences by the Home Office to run 12 pilot schemes. Rediffusion was the first operator to declare an interest, and has won licences to operate in Hull, Burnley, Reading, Pontypridd and Tunbridge Wells.

Rediffusion is initially aiming for an audience of 20,000 homes across the five schemes and will charge between £4 and £5 a month.

Plastics plant is saved by union plan

BY SUE CAMERON, CHEMICALS CORRESPONDENT

STOREY BROTHERS gave up plans yesterday to shut its Brantham plastic sheet and film plant in Suffolk in favour of an alternative cost-cutting scheme put forward by union *members there.*

The move will mean loss of only 250 jobs instead of the 1,000 originally proposed.

Storey, part of the Turner and Newall group, announced plans to shut the money-losing plant in January. The decision brought strong protests, particularly as there are few job opportunities in the area.

The company agreed to keep the plant open and adopt a cost-cutting plan from the Brantham site union committee.

The two main points of this are: Production to be cut. The plant works round the clock seven days a week. It will now be five days.

About 25 per cent of the workforce, 250 jobs, will go.

The scheme is expected to *bring substantial savings to* Storey in the shorter term. Turner and Newall made provision for £13m to implement the original closure programme, involving moving equipment to the group's plant at Lancaster.

The Storey management is thought to have considered a scheme similar to that of the trade unions before making its decision to shut the Brantham plant. It feared that the unions would not accept such a plan if it came from management, and thought it would make greater savings in the long term by closure.

The Brantham plant is thought to be utilising capacity at only about 60 to 70 per cent. It is expected that the move to a five- instead of a seven-day *week will keep output at present* levels while cutting cost of energy and wages.

Storey told a meeting of union representatives and local MPs yesterday that orders had begun to pick up in some areas this year, though the overall business position was still "depressed" and Brantham's financial results so far in 1981 were "disappointing."

The main plant lost £2m last year. It produced polyvinyl chloride sheet and film for industrial applications such as car roof and door linings.

Europcar completes British acquisition

FINANCIAL TIMES REPORTER

THE BIGGEST car rental business in the UK began opera*tions yesterday, when acquisition* for £22m of Godfrey Davis (Car Hire) was completed by Europcar, the Renault subsidiary.

The merger, which took 16 months to complete because it was investigated by the *Monopolies Commission, gives* Europcar, already the largest European car rental company, 219 offices in the UK, including Heathrow and all the main airports.

A jubilant M. Jean Ordner, *president of the Paris-based* Europcar, said Heathrow was especially important because it was the main source of tourist and commercial traffic, handling more than 28m passengers last *year.*

"This is the breakthrough Europcar has been striving for since we entered the UK market in 1974," he said.

"The takeover will greatly *strengthen our position in the* international car rental market and increase our competitiveness, as well as establishing us as the major force in the UK, the largest national market in Europe.

"*I expect a substantial* growth in business into and out of the UK, both immediately and in the longer term."

Europcar's turnover increased from the equivalent of £31m to *£36.6m last year.*

With the Godfrey Davis (Car Hire) takeover it claims to have locations at more than 130 airports and more than 1,000 offices in Europe, Africa and the Middle East.

It operates in 60 countries or territories with a rental fleet of more than 40,000 vehicles.

In the U.S., Latin America and the Pacific Europcar is represented by National Car Rental, third largest of the American rental concerns, and by Tilden, Canada's leading rental operator.

RAF 'must spend to keep pilots'

By Michael Donne, Defence Correspondent

THE RAF will have to spend *more money recruiting* and keeping pilots if a shortage of between 10 and 13 per cent in manpower is to be eliminated.

This is the main conclusion of a Commons Defence Committee report on RAF pilot training which criticises the Ministry of Defence for not taking the shortfall seriously enough to introduce special measures to overcome it.

The committee says housing *is the single most important fac*tor in helping to keep pilots in the RAF, and it urges an extension of assisted house purchase schemes.

On pay, the committee says it would regard it as unfortunate "if, for want of relatively small expenditure in relation to the savings which would accrue from higher retention, further inducements were not available to encourage pilots to stay in the service."

The committee says greater emphasis should be placed on giving pilots and their families more stability with fewer postings, to minimise the risks of dissatisfaction because of un*necessary mobility.*

The committee feels if these and its other recommendations are followed the RAF will be better placed to overcome the shortage of pilots in the 1980s.

RAF Pilot Training (first report from the Defence Committee, 1980-81), House of Commons Paper 53-649-i-iii, SO, £6.90.

Claim go-ahead

FORMER Coral Leisure Group employee Jonathan Barnett, who says he procured and paid prostitutes as part of his job of attracting gamblers to casinos, can go ahead with his unfair dismissal claim, the Employment *Appeal* Tribunal in London ruled yesterday.

Pay talks vote for staff union

FINANCIAL TIMES REPORTER

CLERICAL, administrative and computer staff at May and Baker, the pharmaceutical and chemical company at Dagenham, Essex, have voted 303 to 90 in favour of bargaining rights for the Association of Scientific, Technical and Managerial Staffs.

Mr. Roger Lyons, the union's national chemicals officer, said this would lead to bargaining rights for the union for the 500 staff covered by the ballot. The company is a wholly-owned subsidiary of Rhone-Poulenc.

Price-cutting policy begins to take its toll on retailers' profits

David Churchill on why Littlewoods is experiencing a downturn

THE EFFECT of price-cutting by retailers, in an attempt to maintain sales volume during the recession, is beginning to take its toll on profits.

Littlewoods Organisation, whose sales from its mail order and 111 High Street stores total more than £1bn a year, has just revealed a £30m fall to £3.5m in *its retail pre-tax profits for the* financial year ending December 31, 1980.

Littlewoods is the first big retailer this year to announce its financial figures. The slump's *effect on consumer spending* and the squeeze on profit margins will be shown in varying degrees by most major retailers soon.

Littlewoods, the largest privately owned company in the UK, has announced its results earlier than usual to show its staff and trade unions the difficult position that all retailers—not only Littlewoods—are in.

Littlewoods says, that in the next two years *it will cut 1,200* jobs involving 400 redundancies.

The company plans to close two of its mail order offices in the next two years and trim its headquarters staff.

Littlewoods says its retail sales in the past financial year were up 7.7 per cent to £1.063bn. Although pre-tax profits from the retail divisions fell, profits from the football pools business rose from £5.5m to £7.1m.

These results from Littlewoods follow an 18 per cent profits fall in 1979—the first time in ten years that profits slipped. Littlewood's retail problems have become increas*ingly serious in the past 20* months since consumer demand was hit by the VAT increase in the June 1979 Budget.

Although Littlewoods has given no divisional breakdown of its retail sales and profits, the mail order side accounts for the bulk of turnover and profits. Consequently, it is where the slump has been felt hardest.

Littlewoods is the second largest catalogue mail order company — Great Universal Stores is the largest—and has about 30 per cent of all mail order trade. In *previous reces*sions mail order has seemed almost recession-proof as cus*tomers took advantage of credit* facilities to buy clothes and home furnishings.

The current recession, however, has proved different—and the industry is still trying to *find out why. Factors contri*buting to its increased vulnerability include the wider availability of credit facilities from other sources. This hits mail order's traditional advantage. There is also an overall fall in demand for clothes and furnishings, two areas in which mail order companies have most of their sales.

The mail order sector has been hit by the price-cuts which *most High Street retailers have* been forced to offer to attract sales. Littlewoods responded with special mail order price cuts — a move which undoubtedly ate into profit *margins.*

Although the retail stores side is less significant for Littlewoods in terms of sales and profits, it has also been hit by the general recession, price-cutting, and the squeeze on profit margins.

Littlewoods says its overall retail operating expenses increased by 18 per cent in the last financial year and that high interest rates meant that interest on borrowings was £10m higher than in 1979.

The retail problems facing Littlewoods led to Sir John Moores deciding last October to become chairman again. Sir John, 85, retired as chairman in 1977 in favour of his son, Peter, 48. However, when Peter Moores' term of office expired in October, Sir John felt he was best equipped to deal with company problems.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Swedes bid for hand terminal market

ANOTHER CONTENDER has appeared for the UK hand-held data terminal market. It is Hugin Cash Registers, part of the Swedish Electrolux Group, and the terminal range was developed by Micronic AB; it is manufactured by Facit AB.

Thus Hugin joins a market that is essentially dominated by the U.S. company MSI, which probably sold 100,000 units or over half the sales on a world basis. In this country the main manufacturers are UCSL (a Unilever company), APT Electronics of Reading, and, a more recent newcomer, Microfin of Egham, Surrey, whose product has the backing of the Department of Industry and NRDC.

But there are other strong contenders including U.S. companies Telxon and Azurdata, represented by Microconsultants of Kenley, Surrey, and Ventek Computers respectively. In addition Brown Boveri introduced Memoport in 1979 and somewhat *more recently* Burr Brown International of Watford (a U.S.-based company) launched a product in the UK with the emphasis on factory data collection.

The Micronic 445 has already had considerable success in Scandinavia. It dominates the Swedish market and on a world basis some 20,000 units have been sold; over 9,000 shops and stores are equipped with the unit.

The modern trend with these hand-held terminals, and the Micronic 445 is no exception, is to include a good deal of on-board memory and two way transmission facilities. Thus, not only can the user collect data over a period and then send the accumulated information over a phone line—he can also receive instructions or perhaps updated price data from a central company location.

Model 445 can have up to 64,000 characters of storage or as little as 800 and it can communicate with most computers or off-line receivers directly by modem or via an acoustic coupler.

An interesting facility is the plug-in connection of a bar code wand, each scanned code on a product showing on the display in alpha-numerics while it is at the same time stored in the terminal.

Thus, small stores need not spend large sums on laser scanners—data from the modern cash register and on-shelf data from the portable terminal could provide most of the information needed.

If additional memory is required or there is a need to take data away without taking the 445 with it, then Hugin can supply a plug-in memory MEM 16/48. Then, up to 48k of data can be independently transported to a data centre.

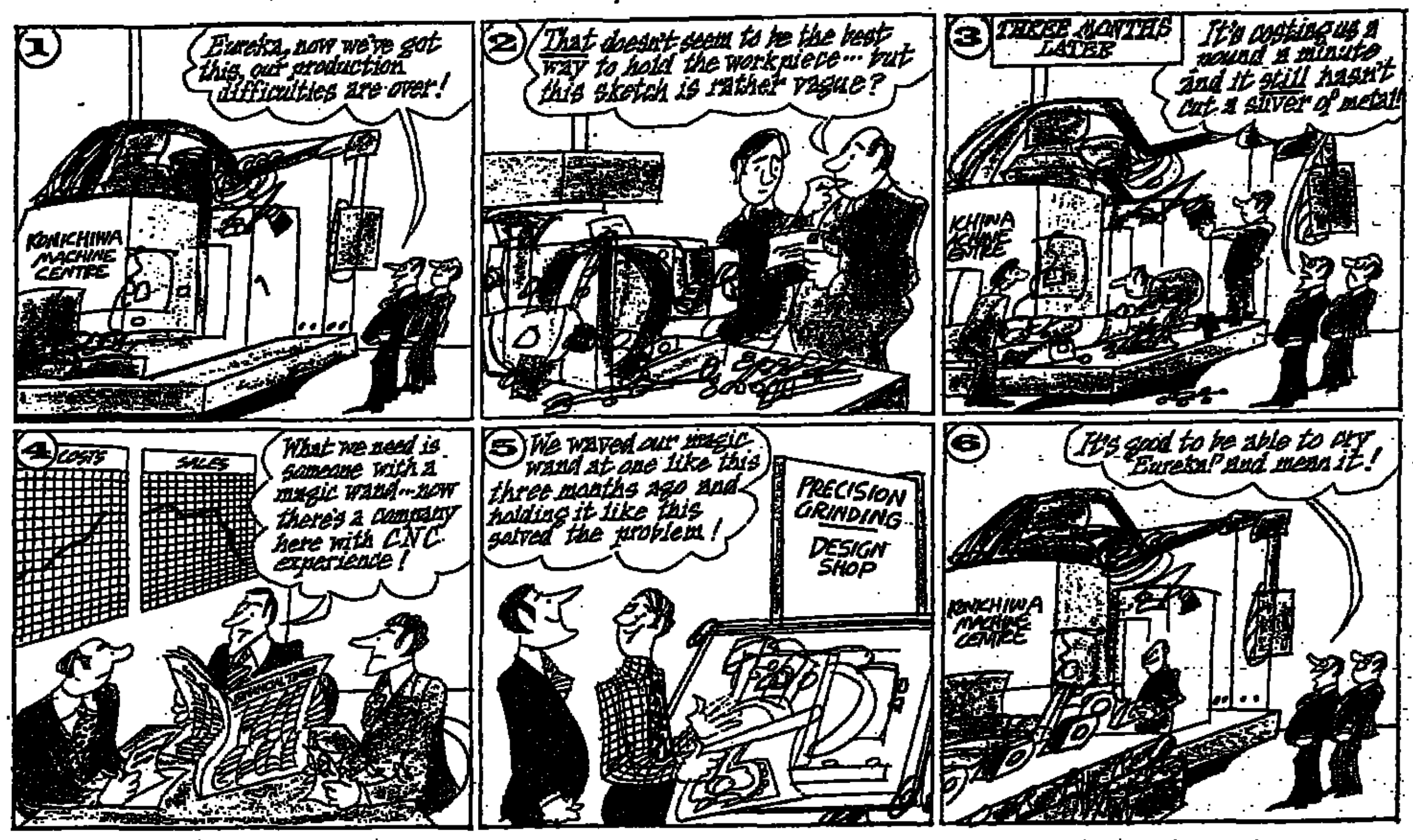
A small printer can be connected to either the terminal or the memory pack. It is also usable as, and strongly resembles, a desk-top calculator. But a larger and more robust printer can also be supplied.

The terminal measures only 170 x 85 x 35 mm and weighs 400 grams. It uses nickel cadmium batteries which can be recharged in 14 hours. Data retention time of the CMOS memory is 2,000 hours. Hugin is on 01-251 4161.

GEOFFREY CHARLISH

CNC machining: how to dodge the pitfalls

BY ALAN CANE



THE SEEMING truism that the UK is backward in the installation of numerically controlled and computer numerically controlled (NC/CNC) machine tools may be wide of the mark.

Of the 961,000 machine tools in the country, about 3 per cent are NC/CNC, a proportion little different from that found in the U.S. or Japan—and up to 20 per cent of the total spent on machine tools each year is now going on the numerically controlled variety.

But any manufacturer who thinks his troubles will be over when the first of his CNC machining centres is hoisted over the doorstep is living in a fool's paradise.

All the signs are that his troubles are only just beginning. Mr. Peter Marshall, manager of the automation and control division of the Production Engineering Research Association (PERA) has been gathering the evidence over the years.

He says: "On average, we reckon a manufacturer should get 80 per cent of the available time out of a properly run NC machine. That means only four days out of five, which may sound terrible, but it is *realistic.*

"What we have found, however, is that in the first year of operating a new NC machine, he will do well to get 40-50 per cent of the available time out of that machine. In general, he will get nothing in the first three months, 20 or 30 per cent in the next three months, working up to the full 80 per cent after a year."

The problem is the tooling. That means all the accessories necessary to make that NC machine cut metal effectively; the tool bits, the fixtures necessary to hold the workpiece to the machine bed and the computer instructions to direct the cutting process.

Mr. Marshall said: "We believe *that if a firm spends* £100,000 on an NC machine tool, it should spend at least £10,000, ten per cent, on the tooling."

Precision Grinding is a small (£4m turnover last year) engineering firm which learned the truth of Mr. Marshall's words the hard way. Based in Mitcham Junction in south London, the company makes machine tools (the Alexander range) optical instruments (projectors for precision metal working) tools and gauges and provides specialist heat treatment. Over half its revenue comes from exports.

Four years ago it decided that *if it was to remain competitive* it would have to instal CNC machines for its own production lines.

And as Mr. Robert Sherman, its managing director, quickly realised, its experience in over*coming the problems of* NC machines and their applications could be of immense value to other companies faced with travelling the same road.

Now it offers a service called "Total Tooling," designed to ease the client company into the computer-based machining business as quickly as possible. Mr. John Steptoe, PG's marketing director puts it: "By helping to eliminate production bottlenecks, we can shorten the learning curve for the new user of an NC tool. We can get that machine cutting metal effectively faster."

"The problems range from the *fact that it takes considerable* design experience to devise fixtures for a workpiece which enable it to be machined most economically, to the often scanty information that comes with a foreign made machining centre.

Essentially, the client company submits details of its machining centre, the component to be machined on the centre and batch size to PG. PG quotes for the work, then summits process plans and tooling sketches. Eventually, if the customer *is* satisfied with PG's proposals, it can order its tooling from the company.

Crosfield, *a member of the* De La Rue group specialising in high quality computerised printing machinery, used the PG service to plan and order tool*ing for a whole range of NC machines* to be installed in a new factory at Milton Keynes, because as Mr. Sydney Emm, product engineering manager at Crosfield said: "We make scanning equipment, not machine tools. We do not have a permanent process design or tooling department because we retool only once every four or five years."

"The principal machining centre will be installed in late April—and they will shoot me if it is not cutting metal two weeks later."

The fixtures for Crosfield's machines—the all important devices which hold the work piece in the best position for cutting—*are being proved on* PG's own NC machines so there should be no reason to fear for Mr. Emm's longevity.

Crosfield is spending some £750,000 *on machine tools* including systems from Italy, Germany and the U.S., some £80,000 on fixings and £40,000 on tools.

Mr. Steptoe says: "For engineers, using NC machinery is like learning a new language. Some people still sketch fixtures on the back of envelopes."

At £60 an hour machining costs—not to mention the price of disillusionment—anything *that shortens that unproductive* first three months should be taken seriously. Precision Grinding is on 01-648 9461.

Gets them out of their shells

AN INFRA-RED vibrator for cocoa bean processing, introduced by Newton, Simpson and Sharman, Framlingham, Woodbridge, Suffolk (0728 723435), uses the infra-red rays to expand and lift the shells from the cocoa beans, thus increasing the efficiency of the subsequent winnowing operation.

The process, known as micronisation, is claimed to reduce bacteria and contamination levels in the raw beans by as much as 95 per cent, while rodent hairs and fragments of *dead insects* can be reduced by 50-60 per cent, it is claimed.

There is also a substantial reduction in the production of fines in the winnower because of the crispness of the shell and the rubbery texture of the nib (crushed bean fragments) after micronisation. This is claimed to increase the yield of liquor from the beans by 0.25-0.5 per cent and lead to improved alkalising as a result of the more *uniform* size of *nib* produced after winnowing.

The machine, known as the Micro-Red 20, can process up to 2,500 kg of raw cocoa beans an hour depending on initial moisture content, says the company. Special features include an improved spark arrester chamber with an automatic self-regulating discharge to the cooler, allowing the cocoa beans, before cooling, to continue maturing in their own residual heat. This is claimed to increase energy efficiency and improve the quality of the liquor.

Dust and spillage losses have been minimised by fitting one vibratory bed instead of two while a more constant feed control has been achieved by replacing the vibratory feeder with a variable-speed roll. The vibratory bed is made of 5 mm thick stainless steel, solving the problem of oxidisation when the machine is not in use.

Better distribution of infrared heat in the Micro-Red 20 vibrator has been achieved by a new and improved manifold layout, says Newton, Simpson and Sharman. The manifold can be either gas-fired or electrically heated. Electrical heating is considered especially suitable *for sites where gas and oil supplies* are difficult to obtain.

NEWS IN BRIEF

FINISHING

BLAST-FINISHING facilities at Hankoe Stove Enamelling Company's works in Yeovil Road, Slough Trading Estate, Slough, Berks (0753 22779) have been expanded to deal with much larger items than have been processed hitherto. Containers for the food and brewing industries, hospital autoclaves and tubing are now being handled. Components may range in size from 14ft by 3ft down to 1 inch square, or even smaller items such as precision parts for the telecommunications industry, can be processed.

The economic recession has forced many companies to find less expensive methods of production and Hankoe's advanced surface treatments division is to some extent benefiting from this. Demand for the company's *special finish for stainless steel,* which is offered as an alternative to expensive hand polishing, is reported to have quadrupled over the past few months.

This finish provides a pearl *lustre which is smooth and* uniform and thus enables the item to be cleaned and sterilised easily.

PUMPS

A ROTARY-VANE vacuum/compressor pump with an extended drive shaft enclosed by a steel heat-sink to protect the electric motor is claimed to be capable of pumping corrosive gases at temperatures up to 250 deg. C. The pump, introduced by Brey, Stockholm Road, Hull HE8 0XW (0482 835280), is constructed exclusively of 316 stainless steel and carbon. Both pump and motor are self-lubricating.

Known as the GK07, the pump is claimed to be especially suitable for high-temperature analysis work with engine exhausts and boiler flues and for gas chromatography. Flow rate is 15 *litres/min*, and the maximum pressure and vacuum are 400 mbar. The unit measures *200 mm by 45 mm diameter* and weighs 1.2 kg; 6 mm screwed hose adaptors are provided. A choice of 6V, 12V or 24V motors is available.

PAINTING

A HAND-HELD masking tool for use in the respraying of vehicles and other finishing processes, made by the PC Manufacturing Corporation, Phoenix, Arizona, and marketed in Britain by Gray-Campling, Magnalux House, Southcote Road, Bournemouth HB1 (0202 291828), is claimed to feed the masking tape and paper directly on to the work surface to the exact length required, with the operator using only one hand. It can deliver paper in six widths from 3 inches to 18 inches and tape from ½ inches to 2 inches wide.

An adjunct to the system is a moulding masker which applies tape to body mouldings on vehicles and other irregular surfaces such as furniture, window frames and machinery. A floating guide roller is designed to apply the tape to the moulding edge precisely so that it does not overlap on to the painting surface.

WIRE STRIPPER

HAND-HELD thermal wire strippers with extended jaws designed for removing tough, heat-resistant insulating materials such as polytetrafluoroethylene and Teflon, marketed by Eraser International, Andover, Hants (0264 51347), is claimed to be capable of stripping up to 88mm in a single pass along the wire. *Named the Stripall TW2, it uses* low-voltage current which is passed through the stripping blades to give an instant temperature of 1,700 deg. F at the touch of a button.

The tool, which is imported from the *United States*, operates from the normal 230V mains supply. A built-in transformer reduces the voltage to less than 3V. The overall length with the jaws extended is 220 mm, the depth 50 mm and the width 30 mm.

Firemen's union plans wage action

BY PAULINE CLARK, LABOUR STAFF

FIRE BRIGADES Union leaders are to go ahead and draw up detailed plans for industrial action from July over their pay formula dispute.

The move follows a demonstration of support for action from a mass meeting of firemen in London yesterday.

Plans for a series of one-day strikes will be recommended by executive leaders at the union's annual conference in Bridlington next month if local authority employers refuse to reinstate the index-linked formula agreement which firemen won after their nine-week strike in 1977-78.

Between 6,000 and 8,000 uniformed firemen were estimated to have joined yesterday's march and lobby of MPs. They protested at what they believe are serious attacks on the fire service by the Governmnet and their employers' unilateral withdrawal from their pay agreement earlier this year.

Employers led by the largely Conservative-controlled county councils have told the union that they cannot afford to guarantee to honour the formula which, in November, gave the firement a two-stage 18.8 per cent pay deal.

Hopes for avoiding confrontation in the summer may rest on the outcome of county council elections in May.

Mr. Roy Hattersley, Shadow Home Secretary, told a packed meeting of firemen in Central Hall, Westminster, that the next Labour Government was committed to restoring the negotiated machinery and formula that the firemen had won at the end of their strike.

He said the next Labour Government would be prepared to pay its share of any wage bill arising out of the formula.

Mr. Hattersley said he would continue to be a supporter of incomes policy which would give just treatment to all public sector workers and prevent groups such as firemen becoming victims of free collective bargaining. He accused the Government of embarking on a course of simple public and political madness."

Mr. Ken Cameron, FBU general secretary, said the firemen had no choice but to fight if they were not to see the decimation of the fire service.

Shipyard leaders to recommend 7.5% offer

By Pauline Clark, Labour Staff

UNION executive leaders of 70,000 shipyard workers yesterday agreed to recommend acceptance of a 7.5 per cent pay offer from British Shipbuilders at a special delegate conference in Newcastle on Monday.

The Confederation of Shipbuilding and Engineering Unions executive will wait until the conference before declaring its policy on British Shipbuilders' plans to start compulsory redundancies for the first time since nationalisation.

The offer gives basic pay rises of £5.60 a week for unskilled workers and £7.50 a week for skilled workers.

The conference is expected to focus on plans to make more than 600 workers compulsorily redundant to make up the shortfall in the target of more than 2.000 voluntary redundancies by this month.

Unions which have cooperated in achieving some 20,000 voluntary job losses since nationalisation have previously declared opposition

● Dockers in Southampton will consider today their union leaders' recommendation to return to normal working for the first time in nearly a month.

Bank staff chiefs face tough decision

BY NICK GARNETT, LABOUR STAFF

THE EXECUTIVE of the Banking, Insurance and Finance Union faces a difficult decision today on whether to continue its programme of industrial action against the English clearing banks which have offered a 10 per cent pay rise.

The union's disputes committee was still meeting last night to try to formulate a recommendation to the executive. There were clear signs that some officials felt it better to abandon, or at least suspend, action because of a ballot among its members over a second phase of sanctions.

Ballots have favoured action, although in a number of areas the votes have not been overwhelming and there have been doubts about the commitment of some sections of BIFU membership.

BIFU's position was also made more difficult by the discussions between the Clearing Bank Union and the Federation of London Clearing Bank Employers, which were also still not completed last night.

It was thought that the Clearing Bank Union was ready to accept the 10 per cent offer. Its officials were, however, seeking some form of commitment from the banks that if they did accept this figure, they would not move above it as a result of strike action by BIFU.

Clearing Bank Union membership has clearly indicated that it is unhappy about the offer, although there has been no majority overall for industrial action. The union has not been in any position to move the five banks.

BIFU had been planning a second and third phase of industrial action in pursuit of rises of 12-13 per cent. Ballots on this have shown support among members in all areas.

These include Midland and National Westminster bank branches on Merseyside; Barclays cash centre at Woolston, New Warrington, members in Rotherham, Doncaster, Barnsley, Derby, Coventry and East Anglia. It also involves London West End branches, Avon and two cash centres in South Wales.

There are almost certain to be some officials and executive members who wish to press ahead with action. Some local officials said yesterday that there was enough support to make such action effective.

There is, however, concern among other officials that, in the face of tough management resistance to improving the offer, it might be wiser to suspend action. The union is committed to putting what it considers to be the final offer out to a ballot by the whole membership.

'Only 20%' join Civil Service walk-out

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT estimates that only about 20 per cent of the 540,000 white-collar civil servants took part in the day of walkouts, demonstrations and rallies this week to mark the due pay settlment date for the Civil Service of April 1.

The Civil Service Department's rough figures of just over 100,000 staff involved are in marked contrast to the Council of Civil Service Unions' claim of 250,000.

The two sides disagreed before, over the number involved in the one-day national strike on March 9, which began the present campaign of strikes over the Government's 7 per cent pay offer.

The unions' full Council met yesterday and considered the action, including whether to press ahead with a major intensification of the dispute by involving airport traffic control staff.

Later 88 representatives from the 41 local co-ordinating committees the Council has set up throughout the country to organise the action met to review the campaign.

Pressure was exerted at this meeting to widen the action. Some local leaders are considering the feasibility of a week-long national strike early next month if there is no settlement by then of the 15 per cent claim.

More warnings of suspension for refusing to handle cheques held up by the strike were issued yesterday by the Inland Revenue, to staff in the Exeter B collection office, Southampton B, Wembley and Southwark offices. About 390 local and regional level Revenue staff have been brought out on strike to avoid the suspensions.

Some walkouts took place yesterday over the new warnings, particularly in the Southampton area, where the unions claimed about 4,000 staff took action in tax, Ordnance Survey, social security and unemployment benefit offices.

The unions claim that they are stopping about £110m a day in revenue, not far adrift from what they put as the Government's estimate of £90m a day.

The Council said cargo traffic through Dover was at a standstill after action by 80 Customs officials

Pressure likely for merger of big unions

By Philip Bassett

PRESSURE FOR strengthening trade union organisation in the public sector by amalgamating such unions as the General and Municipal Workers' and the Transport and General Workers is likely to be voiced at the GMWU annual conference this year.

One of the motions for the conference in Brighton in June states that the union "accepts the inevitability of eventual amalgamation" of the GMWU.

Both this motion, from Windermere No. 190 branch, and another from Barnes and Richmond branch, urge the union to open provisional talks on amalgamation with the TGWU and the National Union of Public Employees.

Other motions underline the general worry in many unions about falling membership. Some motions on the preliminary agenda suggest the recruitment of the unemployed, with special rates of membership dues.

There are also a few examples of wage militancy.

Describing the use of block votes as "fundamentally undemocratic," some motions support the aim of reversing the decision on the Labour Party leadership taken at the Wembley special conference.

Wedgwood quits pay negotiating group

FINANCIAL TIMES REPORTER

A LEADING pottery group, Wedgwood, has resigned from the British Ceramic Manufacturers' Federation because it disagrees with the way wage settlements are negotiated.

The company, which employs about 8,000 people, said: "The interests of the various major sectors of the industry have become so disparate that it is no longer in the best interest of Wedgwood and its employees that wage settlements should be negotiated on an industry basis at national level."

The federation is negotiating with the Ceramic and Allied Trades Union on an annual pay claim on behalf of almost 40,000 employees. The company, based at Stoke-on-Trent, will now negotiate a pay deal locally.

The move was criticised yesterday by Mr. Alf Clowes, general secretary of the union.

"They are breaking away from a national system of negotiating pay increases, and that is not in the best interests of the workers involved or the industry as a whole.

Mr. Sam Jerett, director of the federation, said it was in the interests of workers and employers to have the wage deal settled nationally.

"I must say I am surprised at Wedgwood's decision and I don't really know what they are complaining about.

Rail pay move agreed

THE THREE rail unions yesterday approved the British Railways' Board's recent appeal for investment in the industry, and agreed to move and report back jointly on their three separate claims for substantial pay increases which have already been tabled.

It was thought the train drivers' union ASLEF might be a stumbling block in reaching the level of agreement secured, but only one amendment from it on British Rail's use of private sector capital was put and carried.

The three unions will now move with British Rail to a meeting this month of the Railway Staffs' National Council, probably in Watford.

Mr. Sid Weighell, general secretary of the largest union, the National Union of Railwaymen, warned afterwards that ticket collectors and inspectors on trains on the Woodhead line between Sheffield and Manchester will be instructed not to collect fares next week

Walker to face attack on farm prices deal

By Margaret Van Hattem

MR. PETER WALKER, Agriculture Minister, will face an angry response in the Commons later today when he makes a statement on the 1981/82 EEC farm prices settlement, concluded in Brussels on Wednesday.

Conservative and Labour MPs indicated yesterday they planned to attack what they consider an inodinately expensive settlement which, according to preliminary Labour calculations, could add £500m to the national food bill, and £940m to the EEC's farm budget.

Dr. Gavin Strang, Labour's junior agriculture spokesman, said the settlement "makes a mockery of Mrs. Thatcher's much heralded budget deal." The savings won by the Prime Minister last May in a settlement running until the endof the year would be largely offset, and there was no guarantee of Britain's getting a budgetary rebate in future years.

Dr. Strang attacked the farm price settlement on two further counts:

● The 9.5 per cent average price rise ensured that food prices would continue to rise sharply, disproportionately hitting those on lower incomes.

● The rejection of production levies ensured that food surpluses would continue to grow, prejudicing any future attempts to restructure Community spending and divert funds from the food industry to social and industrial policies.

Mr. Tony Marlow (C., Northampton North), said he would call for Mr. Walker's resignation. Mr. Teddy Taylor (C., Southend East), hailed the settlement as a triumph for the French. "They have succeeded in getting not only hundreds of millions more into the agricultural budget but also to increase further the massive 75 per cent of the EEC budget devoted to agriculture," he said.

Labour warns off Cable & Wireless investors

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE ALL NIGHT marathon debate on the British Telecommunications Bill ended in the Comons yesterday with the strongest warning yet from the Labour Party that private investors who take advantage of its provisions will "get their fingers burned."

The Bill splits the Post Office into two independent corporations—one of thm becoming British Telecom—and empowers the Government ta dispose of shares in Cable and Wireless, the state owned telecommunications group which operates overseas.

The warning to private investers came from Mr. Stan Orme, Labour's employment spokesman, as the Bill was given a third reading. It was intended to apply to those who buy shares in Cable and Wireless and the companies making and selling phone equipment.

"We will return to this issue again," he said. "As far as we are concerned it is not closed. We have given a pledge that we will restore the public monopoly.

"We warn people that they may get their fingers burned because we are not going to see people making a profit out of this de-nationalisation."

During the debate, which lasted 23 hours, there were 15 divisions and 125 amendments. Nevertheless the Bill survived intact and all the Opposition attempts to change it were defeated. The sitting lasted for 25 hours starting at 2.30 pm on Wednesday and ending 3.30 pm yesterday—the longest sitting of the present Parliament.

The debate ended with acrimony from the Labour benches but triumphant joviality amongst the Tories. Mr. Ken Baker, Minister of State for Industry, noted that the Prime Minister had been up all night voting in the divisions but that Mr. Michael Foot, leader of the Labour Party, had been conspiculously absent.

The Government had pledged that when it put its hand to the plough it would go to the end of the furrow as far as the Bill was concerned. "There was no U-turn," boasted Mr. Baker.

Mr. Baker described it as an important Bill—an observation which brought Labour shouts of "It's a lousy Bill."

The Minister said: "It is going to transform one of our great growth industries—telecommunications — from being dominated by monopoly to being driven by competition.

"We intend liberalisation of the monopoly and the Bill will provide more opportunities for British companies, more jobs and more growth."

Mr. Orme had just started to denounce it as a "bad Bill" when Mr. Foot entered the Chamber. This brought jeers and waving of order papers from the Tories and angrily Mr. Orme told them: "It is not a laughing matter."

On the third reading the Government had a big majarity of 101 (257-156).

One of the most heated debates was on telephone tapping. The Government managed to throw out a new clause added to the Bill in committee which introduced a legal code to control tapping. This clause was rejected by a majority of 87

Another clause—put forward by an all party group including Mr. John Gorst (C., Hendon North)—seeking to introduce penalties of up to £5,000 or three years imprisonment for unauthorised telephone tapping was defeated by a Government majority of 85 (170-255).

An Opposition amendment stipulating that the unions must be consulted before the Government disposes of any assets in Cable and Wireless was rejected by a majority of 100 (152-252).

A Labour amendment to scrap the Industry Secretary's powers to licence private sector activity in thet elecommunications industry was defeated by 91 votes (256-165).

International protests over foreign student fees rise

BY DAVID DODWELL

THE GOVERNMENT'S decision that overseas students should pay the "full cost" of study in the UK — a move resulting in substantial rises in their academic fees — has unleashed an international storm of protest that few officials exepcted.

While the increases eradicate an undeniable element of subsidy in overseas fees, the short term savings might involve considerable long term costs.

Already these is evidence of a steep fall in applications by overseas students to study in the UK. Fears have also been expressed that Britain's long term trading interest could be jeopardised. This danger is greatest in countries where Britain has some of its closest links — like Nigeria, Hong Kong and Malaysia.

Last week, Mr. Musa Hitam, Malaysia's Education Minister, said his government is to stop sponsoring students at British universities and colleges. Since more than 20 per cent of foreign students in Britain come from Malaysia, the decision is likely to have important consequences.

Long-time friends and allies in countries like Hong Kong, India, Pakistan and Nigeria are also deeply hurt by the Government's move. President Shehu Shegari of Nigeria said during his recent state visit to Britain that the student fees decision has become the single most imoprtant issue in bilateral relations — and that it is doing great damage to the culural, political and trading links first forged in colonial times.

Already it is clear that in future, Nigerian students will go in larger numbers to the United States.

At home, students across the country have staged demonstrations and even occupied university buildings. Vice-chancellors and pricipals have in their more discreet way raised the alarm about the threat posed to educational standards and university finances as overseas student numbers slump.

While foreign scholars have been attending British universities for many years, the main growth has come in the past decade. In 1970-71, 34,000 overseas students studied in Britain. By 1978-79 the total had risen to a peak of 83,000.

But the Government's decision to withdraw subsidies (amounting to about £100m) for overseas student fees, forcing them to pay the "full cost" of their education, has put this trend into sharp reverse. Just 67,000 foreign students are attending British universities or colleges this year—15 per cent fewer than in 1979-80. Enrolments for first year courses fell by 28 per cent.

An even steeper decline is expected next year. Fees for the next academic year are to go up by between 15 and 25 per cent. Recommended fees for arts students will be £2,500 compared with £2,000 at present, science students will pay £3,600 compared with £3,000, while medical, veterinary and dentistry students will pay £6,000 compared with £5,000 this year.

University officials currently dealing with applications for the academic year due to start in October predict a 36 per cent fall in enrolments based on present trends.

Some Government officials argue that the total cost of study in Britain for an overseas student is not unduly high in spite of the increase in fees—and not any more expensive than study in other Western countries.

Certainly academic fees are higher in the UK than anywhere else. Even at Ivy League universities in the U.S. like Harvard or Princeton, fees at present do not exceed $6,200. Even though most U.S. degrees take four years instead of three in the UK the total cost of a course in the U.S. is unlikely to be as high as the equivalent in England.

In Europe fees are much lower than in Britain. In 1979-80, the latest year for which figures are available, fees for a complete degree course ranged from the equivalent of £560-£840 in Germany, £100-£140 in France and £140-£390 in Italy. In the UK they ranged from £6 000 to £9,000.

However, the total cost including living costs can be lower in the UK than elsewhere—mainly because most German or French degrees average five years, compared with three in the UK.

Critics of Government policy claim that short-term cash savings are far outweighed by the long term disadvantage to Britain in reducing the number of overseas students.

As Mr. Tim Yates, speaking for the Registrar at the University of Manchester Institute of Science and Technology argues: "If it were not for the British connection—by which I mean the many former foreign students who are now ministers of power, chairmen of company boards or heads of trading organisations—then many fewer countries would now be using British electrical equipment, British trains and buses, British technical consultants and so on. Short term financial relief is being won at the considerable cost of long term political and trade gains."

A solid body of research suggests that aid (including support for foreign students) is an important stimulant for trade. The U.S. has forged close trading links with Taiwan, South Korea and the Philippines—based on strategic interests but carefully underscored with aid and educational exchanges. As a result European businessmen often find these markets impenetrable.

Britain's links with countries like India, Nigeria, Hong Kong and Malaysia are already weakening. In fact many people in these countries are convinced that Britain is consciously trying to distance itself—and the increase in student fees tends to confirm that belief.

Tighter controls over civil servants moving into industry needed

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

LEGISLATION should be introduced to tighten controls over civil servants moving into industry, according to a report published yesterday by the Treasury and Civil Service Committee.

The report is also implicitly critical about the secrecy surrounding the Government's decision a year ago to allow Mr. John Lippitt, a deputy secretary in the Department of Industry, to move to a senior job in GEC.

In its general conclusions it proposes that information about vetting such moves should be available to Parliament and that an existing Governmental advisory committee should be expanded from its present Whitehall-based membership.

Attempts should be made to achieve "consistency of decision taking," and existing rules should be extended to include jobs taken abroad.

The committee — which has been sharply divided on the main issues for a year) is to give further consideration to what form legislation should take after consulting individual Government departments, professional associations and trade unions.

Mr. Anthony Beaumont-Dark (C., Selly Oak) yesterday attacked what he called the "Lippit syndrome," and joined other MPs on the committee in calling for a more open appraisal of each civil servant's case.

Stressing that he was speaking generally, Mr. Beaumont-Dark said it was wrong for civil servants to have "£25,000 jobs in their napsacks." There was a risk of "subliminal corruption."

There has been controversy for many years about senior civil servants either moving into full-time jobs in industry or gaining a series of non-executive directorships when they retire.

Rules were first laid down by the Government in 1937 and were last amended in 1975. They state that it is "in the public interest that people with experience of public administration should be able to move into business and industry."

They cover civil servants, diplomats and officers in the armed forces and were designed "to remove public concern over particular appointments and to safeguard the integrity of the public service and individual officers."

But yesterday's report, specifically referring to the case of Mr. Lippitt, says: "The reluctance of responsible Ministers in successive administrations to release detailed information in these cases has not helped to allay public concern."

It accepted that such job changes should be made but added: "If this desirable freedom of movement is to be preserved, abuse should be eliminated and should be seen to be eliminated."

The report stated: "There may well be complaint if an official who has spent his whole life in the public service and retires at a most senior level promptly accepts an appointment in a business firm or with a foreign Government."

A total of 514 applications were made under the rules by civil servants between 1973 and 1980. Nine were rejected, 71 were approved with conditions, and 434 were allowed unconditionally.

House of Commons Fourth Report from the Treasury and Civil Service Committee. Session 1980-81. Acceptance of outside appointments by Crown Servants. SO. Price £3.60.

Men and Matters, Page 22

Proposed banks merger under investigation

BY RICHARD EVANS, LOBBY EDITOR

THE PROPOSED merger between the Royal Bank of Scotland and Standard Chartered Bank is receiving a preliminary investigation from Mr. Gordon Borrie, Director General of Fair Trading. He is expected to give his verdict to Ministers next week.

It will then be up to Mr. John Biffen, Trade Secretary, to decide whether to refer the controversial merger proposals to the Monopolies and Mergers Commission.

Mrs. Sally Oppenheim, Consumer Affairs Minister, confirmed in a letter yesterday to Mr. Gordon Wilson (Scot. Nat. Dundee East) that Mr. Borrie had launched an initial inquiry into the merger.

In her letter Mrs. Oppenheim said Mr. Borrie had a statutory duty to keep himself informed about mergers and to make recommendations to the Trade Secretary. She added that should Mr. Biffen decide on a merger reference this would be a neutral decision and would carry no presumption that the merger would be against the public interest.

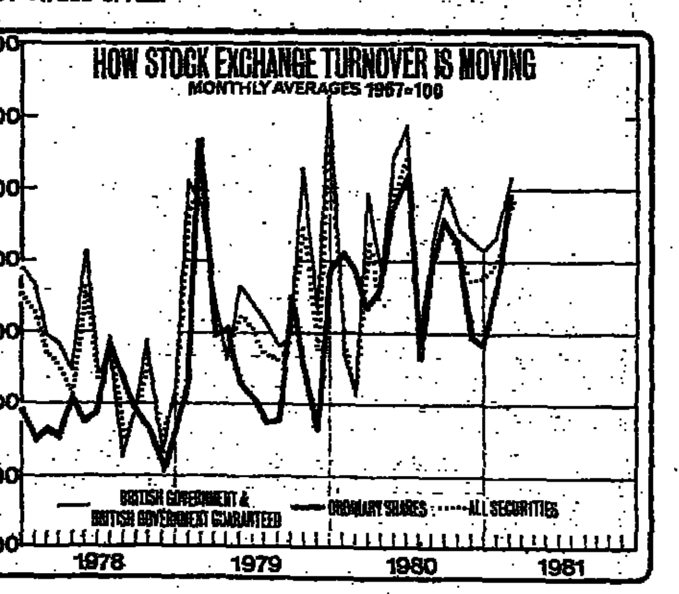
"The Government can only act to prevent a merger if it is referred to the commission and if the commission then concludes that it may be expected to operate against the public interest," she added.

The Department of Trade said last night that it could be a matter of weeks before Mr. Biffen reached a decision on the issue.

STOCK EXCHANGE BUSINESS IN MARCH

Turnover in equities increases by 26.8% after the Budget

BY NIGEL SPALL



Stock market business last month rose to its highest level since July 1980 after the Chancellor's Budget on March 10. Turnover, at £18.98bn, was up by £2.54bn, or 15.5 per cent. The FT Turnover index for All Securities advanced from 503.6 to 581.5. The number of bargains transacted increased from February's 483,848 to 623,732.

Business in ordinary shares registered initial displeasure—the FT Industrial Ordinary Index dipped to the month's low point of 470.0 on March 11—but the index rose to close the month 21.5 points higher at 528.1. The FT index for Ordinary Shares rose by £0.7bn, or 26.8 per cent, to £3.32bn.

The average daily value of equity business picked up from February's £131.1m to £151.1m and the number of equity bargains increased by 132,812 to 483,417. The FT Turnover index for ordinary shares rose to 593.1 compared with 467.9.

Trading in gilt-edged securities increased by £1.97bn, or 15.6 per cent, to 14.61bn. Short-dated stocks contracted by 18.4 per cent from £7.07bn to £5.77bn, but longer-dated and irredeemables gained nearly 59 per cent from £5.57bn to £8.84bn.

Deals in shorts averaged 24,531 (30,905) and those in other stocks 72,882 (65,009). The FT Turnover index for British Government Securities rose from 535.0 to 618.3.

The Government Securities index ended the month 0.72 points higher at 69.84, registering a low of 68.36 on March 6 and a high of 70.61 on March 20.

The FT Gold Mines index moved irregularly, but improved 3.5 points to 341.0. The bullion price rose $17 to $507¼.

Category	Value of all purchases & sales £m	Total %	Number of bargains	Total %	Average value per day £m	Average value per bargain £	number of bargains per day
British Govt. and British Govt. Guaranteed							
Short-dated (having five years or less to run)	5,772.9	30.4	24,531	3.9	262.4	235,329	1,115
Others	8,836.4	46.6	72,882	11.7	401.7	121,243	3,313
Irish Government							
Short-dated (having five years or less to run)	254.7	1.4	1,540	0.3	11.6	165,416	70
Others	190.5	1.0	2,633	0.4	8.7	72,347	120
UK Local Authority	394.4	2.1	5,581	0.9	17.9	70,674	254
Overseas Government Provincial and Municipal	44.7	0.2	1,136	0.2	2.0	39,327	51
Fixed Interest Stock							
Preference and Preferred Ordinary Shares	159.3	0.8	32,012	5.1	7.2	4,978	1,445
Ordinary Shares	3,323.8	17.5	483,417	77.5	151.1	6,876	21,973
TOTAL	18,976.8	100.0	623,732	100.0	*862.6	30,425	28,351

* Average of all securities

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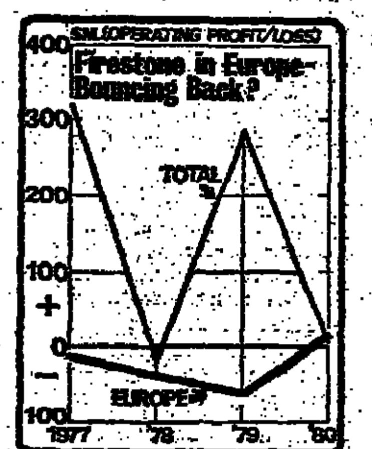
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Steering out of a skid

Firestone is making a European comeback. Stuart Marshall reports

TWO YEARS ago the European operations of Firestone Tyre and Rubber Company were based on a sprawling 50 year-old Art Deco manufacturing palace on the Great West Road, in Brentford, West London. Now the building has been sold, its core demolished—to the fury of conservationists — and Firestone's headquarters for the whole of Europe, Africa and the Middle East is over a Wimpy Bar in King Street, Hammersmith. The 150 managers, assistants and clerical staff who controlled and administered Firestone's UK and European activities have been reduced to a dozen people.



It is through such drastic measures that Firestone has been able to stop the financial haemorrhage that had nearly killed it in Europe in the late 1970s, at a time when the U.S. parent company was also going through a severe crisis. Its European operations—where the UK has been a persistent loss-maker—are already back in the black, so much so that Gilbert Neal, the vice-president in charge of European operations, boasts that "You could call us potentially the most profitable tyre company in Europe at the moment." The parent company in the U.S. has also benefited from drastic surgery, and has just reported its first quarterly pre-tax profit for more than a year.

The retrenchment programme that has transformed Firestone from one of the sickest firms in a generally unhealthy industry into a leaner, fitter shadow of its former bulky self began in the late 1970s. Its central themes have been profits rather than volume, and abandonment of traditional products in favour of more modern radial tyres.

Redundancies, in Britain and elsewhere, have been painful. More than 4,000 Firestone employees in Britain and an equal number in the rest of Europe have lost their jobs in the past three years.

Firestone's ability to make headway with new technology rests on the S-211, one of the best standard steel belted passenger car radials in Europe; having been developed in the nick of time by Firestone's research and development centre in Rome, it went into full production last year.

Firestone had previously been thought of as a company dominated by traditional U.S. technology. This was damaging, but not unfair. In the past two decades, the European industry has been making all the running in tyre design, construction and performance. The flow of tyre technology has been from Europe to the U.S., with firms like Goodyear and Firestone dependent on the research and development work carried out by their European subsidiaries. While the industry was still crossply tyre orientated—until the late 1950s—the flow of know-how had been the other way.

Firestone's world-wide programme of cutbacks began in Europe in 1978. The first tyre plant to close was in Switzerland. "It was a good factory, but the Swiss franc was too hard and imports were cheaper," says Gilbert Neal. The two Firestone tyre plants in Sweden were then sold to Hexagon, a Scandinavian rubber conglomerate. The 60-outlet chain of Englehardt tyre stores in West Germany was next to go.

Then followed the Brentford tyre plant, which was not only antique and inefficient, but had a near-obsolescent product line. It was closed just over a year ago, with Firestone's other UK tyre factory, at Wrexham, following suit last summer. Soon afterwards, the 180 outlet chain of Firestone Tyre and Auto Service retail stores was sold to Kwik Fit, the tyre and exhaust replacement organisation, for a knock-down £3.2m. A tyre plant in Tunisia was sold to the Tunisian government.

Four plants — at Bethune, northern France; Bari, southern Italy; Lisbon, Portugal; and Bilbao, Spain — now supply the whole of Europe, North Africa and the Middle East, making only steel-belted radials. Two in South Africa and another in Kenya cater purely for local demand. Sales to the rest of the world are controlled from the U.S.

Neal says that the focus of Firestone's restructuring intensified with last year's arrival as chief executive of the parent company of John Nevin, the former president of Zenith Radio Corporation. "His asset management policy was relatively new to Firestone," Gilbert Neal comments. "He laid it down that any negative cash flow operations had to be got right or they had to go—and fast."

Parallel with this approach has come Nevin's overwhelming emphasis on profits rather than volume — a readiness to lose market share if necessary, in other words.

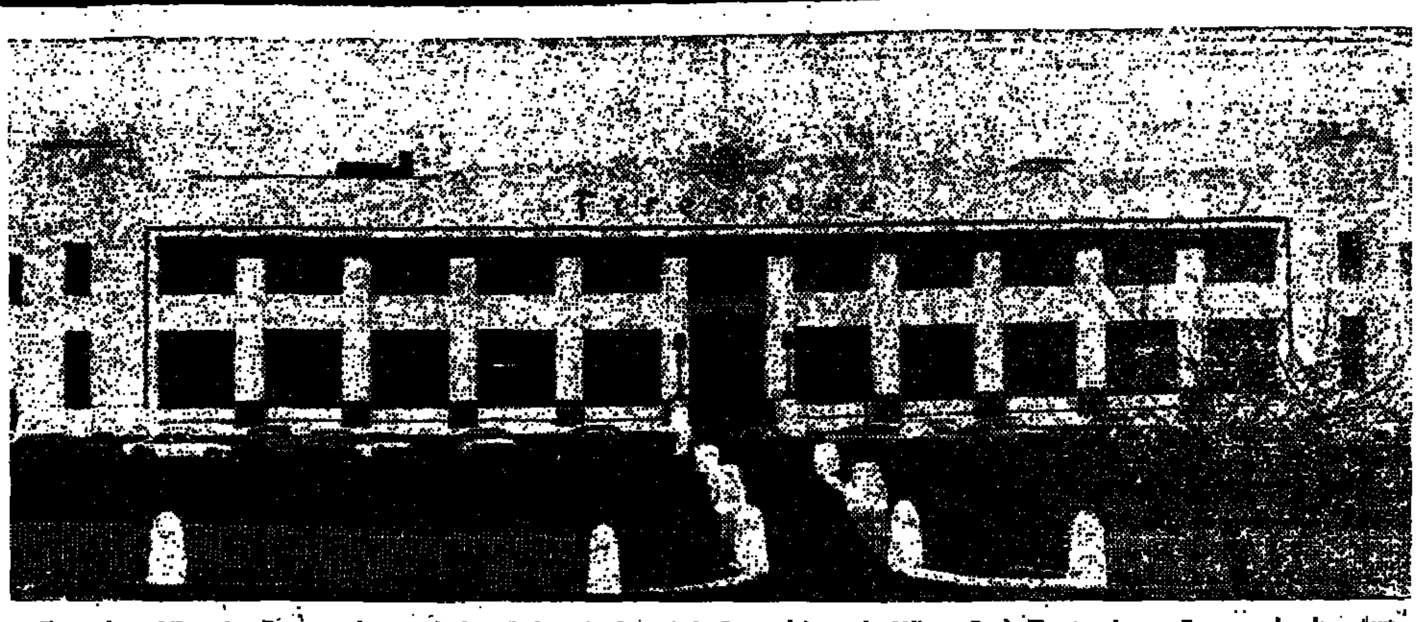
Neal concedes that Firestone has recently lost market share to its competitors. He shares the company's view that one of the reasons why the European tyre industry is in such disarray is that it has been chasing market share so hard that it has forgotten about the need to make profits. Firestone is convinced it cannot possibly increase market share and make money.

"At the moment," says Neal, "a rubber company could make more profit by banking its assets instead of investing them in tyre production. You have to ask yourself if tyre making is a business or a vocation. For many years it seems to have been a vocation for a lot of firms in the industry. We had to change all that because it had literally become a matter of survival."

Not all Firestone's competitors share this view, particularly those — like Michelin and Pirelli — which have been able to gain market share and improve their profitability by securing a clear lead in new products (see accompanying article).

With tyre production concentrated into the four European plants, Firestone's machine loading has improved and overall efficiency has been transformed. Brentford, old, multi-floored and a production man's nightmare, had not exceeded 60 per cent capacity for years. Wrexham, though much newer, was hardly better. Now, Firestone's capacity throughout Europe is better than 90 per cent — and at that level a tyre factory can operate profitably.

Gilbert Neal considers that what Firestone has done so far has been to ensure its survival as a force in the European tyre industry. "We are pleased, but not yet satisfied," he says. "Results have been pretty encouraging in Europe in the last three or four months. It is not an easy market, but at least we are on an even keel and sailing in the right direction. We have reached the stage where we can plan ahead instead of struggling to stay in business—and that is progress."



From the sublime Art Deco to the mundanity of the suburban High Street (above the Wimpy Bar): Firestone's new European headquarters reflects its new-found austerity

Three decades of innovation in the world tyre business

1950s: Michelin gears up production of the radial tyre, an unexploited British invention of the mid-1920s. Its first widespread use is as original equipment on the ubiquitous Citroen 2CV.

1960s: In mainland Europe, Michelin's radial, with its significantly longer tread life, begins to displace the traditional cross-ply tyre. Initially, it makes no impact in the UK. But in the mid-1960s Dunlop produces the first British radial. Unlike the European product, it uses textile tread belts rather than steel-reinforced ones. It provides better mileage than the cross-ply, but lacks the longevity of the steel-belted product.

Michelin's main continental rivals meanwhile start production of their own radials, employing the steel belted principle.

1970s: Dunlop abandons the textile radial in favour of steel-belted. The start of the decade sees the trend to wider, lower profile tyres. The traditional 80 per cent aspect ratio (that is where the tyre height is 80 per cent of its width) moves to 70 per cent, with the "70" series Dunlop range pioneered for Jaguar and Lotus, and in 1973-74 to 65 per cent. At the same time the run-flat "Denovo" tyre is launched, requiring special wheels. While some manufacturers, notably BL, continue to offer it as original equipment, it has failed to make anything like the impact originally hoped.

In the late 70s, aspect ratios move down to 55 and even 50 per cent, Pirelli being a leading pioneer. Currently these are mainly for high performance vehicles. But they are regarded as offering further improvements in longevity and performance, and car and tyre manufacturers are working jointly on the development of volume cars designed around the latest generation of tyres as original equipment.

J.G.

An industry on its uppers

THE unenviable state of the $10bn a year European tyre industry is summed up in one paragraph of a UK National Economic Development Office study at the end of last year:

"Overcapacity in Europe is at a level roughly equivalent to the UK's entire production. If Britain were to cease making tyres, this would just take up the slack in the European tyre production system."

And Britain's role in European tyre output is far from marginal: last year it produced an estimated 29m tyres. It is Europe's fourth largest producer, and the world's seventh largest.

The study was reaching its conclusions at a time when a shake-out of capacity was already well under way, with plant closures by a number of principal producers taking place all over Europe.

In the view of one major producer, Dunlop, the result should be that by the end of this year, capacity should have dropped roughly to match demand. With Europe's currently stagnant motor industry also looking for an upturn at the end of the year or early in 1982, it is argued that the tyre industry should once again be set on a healthier path.

Like the motor industry, to which its fortunes are so closely tied, Europe's tyre makers suffered an immediate and severe setback in the wake of the 1974 oil crisis. But in addition they were falling victim to their own technical innovation.

The radial tyre has doubled the life of what was once the conventional product — the cross-ply, which even in the replacement market has all but disappeared from Western Europe. And the radial itself has not been a static concept. It is now into its third generation, having moved from textile to steel belts, and increasingly during the past four years changing its profile to become ever squatter.

For the motorist, all this has been mainly good news: the cost per mile of his tyres, in real terms, is about one-third of what it was in the sixties.

But for the industry, the long life radial inevitably has brought a steep fall-off in demand, exacerbated by the European motor industry recession. This has resulted in fierce price competition, inadequate cash generation and an inability to make new investments in higher productivity.

The latter is also heavily dependent on the prospects for the European motor industry itself. In this context, Britain is worse placed than the other main European motor manufacturers because of the steep decline of its industry during the 1970s. But the prospects for growth in Europe, with the notable exception of Spain and Portugal, are extremely limited. Domestic markets are approaching maturity, while traditional export outlets are rapidly drying up as the result of the developing countries' own build-up of domestic production.

At the same time, Japan, as a result of the tremendous growth of its vehicle production, has been able to build up what is now the most modern and efficient tyre industry in the world.

Nevertheless, a slimmer, more healthy European industry is beginning to emerge — but one which can be expected to be still dominated by Michelin, which has 35 per cent of the market. In almost every case, however, it is being achieved at a high cost of jobs and closures.

The shake-out began in earnest about two years ago and has included:

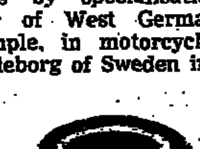
Dunlop closing Speke, one of its nine European manufacturing centres, as part of a rationalisation programme which has seen its tyre-making workforce in the UK alone cut by over 50 per cent, from 11,500 to 5,500.

Firestone has effectively withdrawn from the UK, closing its two manufacturing plants, together with those in Sweden and Switzerland.

Goodyear has closed plants in Scotland, Sweden and West Germany.

Uniroyal of the U.S. in 1979 sold off all its European operations to Continental Gummi-Werke of West Germany, a move preceded by B. F. Goodrich's abandonment of Europe, including its sale of its 49 per cent stake in Vredestein to the Dutch Government for a token one guilder.

Smaller national companies have withdrawn from competing in the tyre sector generally, seeking to improve their fortunes by specialisation—Metzeler of West Germany, for example, in motorcycle tyres; Trelleborg of Sweden in trucks.



Yet too many companies still remain for a European market which industry analysts believe has a growth prospect, at best, of about 2 per cent a year. But a number of attempts at rationalisation through mergers have not succeeded, and there is also the problem of government resistance, on strategic grounds, to closure of tyre manufacturing; two cases in point are Holland's support for its Vredestein operation and the Austrian government's backing for Semperit.

For the European majors, the best route to salvation is to seek a wider geographical spread of operations, and to some extent this is being achieved. Michelin, the clear leader in Europe, is particularly well placed. This year its fifth U.S. plant is due to open, a third plant is being built in Canada and one is going up in Brazil. Its European tyre sales now account for about 65 per cent of its total, and their share is steadily falling; the same holds for Pirelli and Dunlop, ranking roughly joint second in Europe. Of the top six companies, only Continental has an almost overwhelming dependence on the European market.

John Griffiths

THE PROPERTY MARKET BY MICHAEL CASSELL

Consortium prepares Paddington scheme

A CONSORTIUM including Lazards, the merchant bank, and Phoenix Assurance is planning to redevelop about ten acres of land adjoining London's Paddington station.

The consortium includes about half a dozen participants and has emerged as the purchaser of the former head office building of National Carriers, which has moved out of London to Bedford.

National Carriers forms part of the National Freight Company, which is to have a stake in the new development operation. In early discussions the newly-formed consortium was known as Padco, although another name is expected to be used when development gets underway.

It is understood that the package, which comprises the ageing 65,000 sq ft office block and a problematical site offering about ten acres of useable land, has been purchased for about £2½m. The consortium has agreed to buy, subject to several conditions, not least planning approval being granted for the comprehensive redevelopment plan.

The estimated cost of the scheme, which is expected to provide some new office space as well as cash and carry facilities, shops and small workshops, has not been revealed. Richard Seifert are drawing up the plans which will include housing—something which Westminster City Council is anxious to see provided on the land. Further discussions with the Council are to take place, based on Seifert's outline plans.

The site, about 1½ acres of which is to be retained for use as workshops by National Carriers on a long lease at a peppercorn rent, is bounded on one side by a canal which is above ground level, has the Westway traffic route overhead, two tube lines running underneath and one running alongside. Until now, the site has been used as a lorry depot for National Carriers.

Potential

The "bargain basement" price clearly reflects these numerous disadvantages, although the consortium clearly believes that, given a well thought out, mixed scheme, the potential returns on a development so close to the heart of the capital are excellent.

It is understood that, despite the problems, National Carriers had talks with several interested parties. The Lazard-Phoenix consortium's success was at least partially attributable to their readiness to allow the vendors to retain some presence on the site.

The potential developers are at this stage keeping most details close to their chest and are not identifying the members of the consortium, which is institutionally based but which includes some "development expertise."

Gilts give investment yardstick

THE GOVERNMENT'S latest smash-hit money raising extravaganza—the £1bn issue of index-linked, gilt-edged stock—provides not only a hedge against inflation but also an interesting yardstick to help measure the investment performance of property.

In offering pension funds a real return on 2 per cent a year, the 1996-dated stock provides another valuable instrument for anyone attempting to gauge the relative merits of property as an investment alternative. More and more work is now being done in this area and the end result is likely to be even greater discretion among buyers in the investment market.

A one-off issue of this nature (though others now seem inevitable) can hardly be regarded as a definitive standard against which all other types of investment can be measured, but even so the immediate conclusion must be that—on past performance—the potential returns from prime property will continue to prove attractive. It is worth remembering, however, that the gilts carry a guarantee and property offers no such warranty.

Prospects of real and assured returns from gilts must be worth a great deal at a time when the economic outlook is shrouded in uncertainty. But even if last week's exercise proves to be the forerunner of many, it is hard to shake the feeling that the popularity of property as an investment option seems fairly safe—not least because few fund managers would be prepared to put all their eggs into one index-linked gilt basket. Institutions depend on diversification and good quality property is likely to continue to do well.

A review of just how property has performed over 15

RENTAL GROWTH, RPI AND BUILDING COSTS: PER ANNUM INCREASES SINCE 1965

Study Centres	2Q 1965-4Q 1979 %
Reading	16.8
Wembley	14.0
Croydon	13.2
Mayfair	13.2
Victoria	13.7
City	13.4
Leeds	14.0
Glasgow	10.9
Southampton	12.7
Edinburgh	12.2
Bristol	11.7
Birmingham	13.5
Newcastle	9.2
Manchester	9.8
Swindon	15.4
Retail Price Index	10.2
Building costs	11.3

Richard Ellis

years—the full lifetime of the index-linked issue—should reinforce that belief, and it is worth pointing out that a return of 2 per cent currently represents about half the initial return on prime property, taking the yield on shops at 3¾ per cent and offices at 4¼ per cent.

Richard Ellis have done some sums to put the new gilts issue, when set against historical returns on property, into some sort of perspective. They accept there are clear distinctions between the two options but point out that, at the end of the day, the bulk of this difference is the assessment of risk.

For property, this is predominantly the view taken on future rental growth. Will it match the rate of increase in the RPI or will it exceed the index and produce real growth?

Ellis has studied 15-year rental growth in major centres throughout the UK and while its findings give the impression of a steady rate of increase, the reality is a volatile and cyclical pattern with growth rarely constant for any length of time. The research does not take account of capital growth, which has generally followed closely on long-term rental growth over the same period.

The exercise shows that, since 1965, all but two office centres have shown an annual growth rate for top rents in excess of the Retail Prices Index, the median being 3 per cent over and the highest—Reading—showing a 6.6 per cent real increase.

These figures represent the year on year rental growth for prime properties in terms of location and quality so that, in order to make a performance comparison, allowance has to be made for rental growth being received as income only at review dates and the fact that as buildings get older their rate of rental growth may fall behind.

Ellis reckons that the figure to cover the effect of the rent review pattern and the impact of ageing property would be in the region of 1-2½ per cent.

Mr. John Orton from Ellis' research department, says that over the past 15 years at least nine out of the 15 centres studied showed real growth potential, so that purchases at yields of 4½ per cent to 5½ per cent would appear attractive in terms of risk compared with the 2 per cent nominal on the index-linked stock.

Colleague Edward Luker, an Ellis investment partner, adds: "If there are further issues so that the new stock is competitive with property and the level of around 2 per cent is maintained, initial yields on property might be affected.

Underpriced

"Prime property with expectations of good rental growth would appear to be underpriced while some properties with poor prospects for rental growth could be marked down further.

"The key factor is going to be the assessment of rental growth both in quantity and timing and this will give the portfolio manager more opportunities to obtain or create various interests in property directly related to expected rental growth, as well as acquiring freeholds for holding long-term."

"Comparisons on the basis of last week's single issue are inevitably slightly artificial but if more are on the way, then we will begin to have something meaningful against which property can be more accurately judged. Our view must be that the best property will continue to outstrip inflation."

Ludgate Hill plan gets approval

NORWICH UNION has finally received planning permission to redevolp an historic site on Ludgate Hill in the City of London.

The £10m development, on the corner of Ludgate Hill and Old Bailey will retain the existing facades of 6 Old Bailey and Ye Olde London public house on Ludgate Hill.

Norwich Union's successful proposals, originally submitted last summer in competition with a number of prospective developers, call for a six-storey air-conditioned office block comprising 57,500 sq ft of net office space, six shops at ground level and the pub.

The starting date for demolition is not yet known but building work is due to commence by the end of this year and completion is expected at the end of 1983. It is understood that none of the space in the development has been pre-let, and that Norwich Union has appointed Baker Harris Saunders and Wright Oliphant as letting agents.

Part of the old City wall lies within the site and it is hoped to uncover this and incorporate it in a terrace for the public house.

The developers say the view up Ludgate Hill to St. Paul's Cathedral will not be affected by the scheme which, existing facades apart, will be faced with natural Portland stone.

The site was formerly occupied by Hope Brothers, and it is almost12 months since Norwich Union emerged as the likely winner in the City of London tender for the redevelopment. The question people have been asking, given the Department of the Environment's efforts to speed up planning applications, is what has held this one up?

The answer, not surprisingly, appears to have been environmental considerations. Norwich Union, the City authorities and the various committees to which the application had to be referred knew only too well of the vituperation likely to be aroused by any developments on Ludgate Hill affecting the view of St. Paul's, from Ludgate Circus.

So the insurance group decided to tread carefully and also found it had to refer the application to many more committees than is usual. Apart from straightforward geographic location there was the City wall to consider, the pub posed another problem and there was also a church next door.

The completed redevelopment, which has been approved by the Royal Fine Art Commission, will be known as 1 Old Bailey. Norwich Union is still talking through details on a possible improvement in the service entrance facilities—located in Old Bailey rather than Ludgate Hill—for the public house.

Architects for the project are T. P. Bennett and Son and quantity surveyors are Gordon Harris and Burton.

Auction

Important Commercial/Industrial Properties

Investments

		Producing
	FIRST CLASS SHOP INVESTMENT	
LOT1	LEEDS – 56/57 Briggate	Freehold £25,000 p.a.
	MIXED COMMERCIAL/RESIDENTIAL INVESTMENT	
LOT2	AMERSHAM – Starcrest House, Hill Avenue and Hillcrest Court, Chesham Road.	Freehold £39,091 p.a.
	RETAIL INVESTMENTS	
LOT3	CHIPPENHAM – 44/45 Market Place.	Freehold £22,500 p.a.
LOT4	ADDINGTON – Forestdale Shopping Centre, Featherbed Lane.	Freehold £39,300 p.a.
LOT5	GREENFORD – 1316-1334 (even) and 1352-1370 Greenford Road.	Freehold £23,475 p.a.
	OFFICE/RETAIL INVESTMENT	
LOT6	LONDON N.W.9 – Lidgra House, 244-254 (even) Kingsbury Road.	Freehold £31,945 p.a.
	INDUSTRIAL/WAREHOUSE INVESTMENTS	
LOT7	EPSOM – Longmead Industrial Estate.	Leasehold £75,000 p.a.
LOT8	THURCROFT near ROTHERHAM – Unit 7, Kingsforth Road, Thurcroft Industrial Estate.	Freehold £27,500 p.a.
LOT9	POOLE – Balena Close, Creekmore Industrial Estate.	Freehold £54,000 p.a.
	Vacant Possession	
	OFFICE/RESIDENTIAL	
LOT10	LONDON W.1 – 2 Duke Street.	Leasehold –

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A FINANCIAL TIMES SURVEY

INTERNATIONAL PROPERTY

FRIDAY, 15th MAY 1981

The Financial Times is planning to publish a Survey on International Property. The main headings of the provisional editorial synopsis are set out below.

INTRODUCTION The need to establish geographical and risk-spread in investment portfolios, together with the prospect of higher yields and wider opportunities has helped step up international property investment and development.

WORLD RENTAL LEVELS Rents in many major international locations have been surging ahead, some managing to double in a year.

THE MARKETS The remainder of the Survey will carry reviews of the property markets in the following areas:

THE UNITED KINGDOM
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LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF JESSEL SECURITIES LIMITED IN LIQUIDATION

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act, 1948, that a General Meeting of the Members of the above named Company will be held at the offices of Cork Gully, 81/87 Gresham Street, London, EC2 on Friday, 24th April 1981 at 10.30 am to be followed at 11.00 am by a General Meeting of the Creditors for the purpose of receiving an account of the liquidator's acts and dealings and of the conduct of the winding-up to date.

A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

Proxies for both meetings must be lodged at the address below not later than 4 pm on 22nd April 1981.

Dated this 31st day of March 1981.
P. F. M. SHEWELL, Liquidator.
Abacus House
Gutter Lane
Cheapside
London EC2V 8AH

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF CRINTETHER SECURITIES LIMITED IN LIQUIDATION

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act, 1948, that a General Meeting of the Members of the above named Company will be held at the offices of Cork Gully, 81/87 Gresham Street, London, EC2, on Friday, 24th April 1981 at 12.00 noon to be followed at 12.15 pm by a General Meeting of the Creditors for the purpose of receiving an account of the liquidator's acts and dealings and of the conduct of the winding-up to date.

A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

Proxies for both meetings must be lodged at the address below not later than 4 pm on 22nd April 1981.

Dated this 31st day of March 1981.
P. F. M. SHEWELL, Liquidator.
Abacus House
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ART GALLERIES

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COMPANY NOTICES

ANGLO AMERICAN GOLD INVESTMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the forty-fourth annual general meeting of members of Anglo American Gold Investment Company Limited will be held at 44 Main Street, Johannesburg, on Friday, April 24, 1981, at 12h00, for the following business:

1. To receive and consider the annual financial statements of the company for the year ended February 28, 1981:
2. To elect directors in accordance with the provisions of the company's articles of association;
3. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:

"That the directors are hereby authorised:

(i) To allot and issue all or any portion of the 247 988 unissued ordinary shares of R1 each and of the 35 000 000 unissued redeemable cumulative preference shares of 10 cents each in the capital of the company, at such time or times, to such person or persons, company or companies, and upon such terms and conditions as they may determine:

(ii) To make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:

(a) Any shares in the company offered by way of rights issues but not taken up by the persons entitled thereto: and

(b) any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that any rights to such shares which can be sold in nil-paid form on the Johannesburg and/or London Stock Exchanges during the period which they are quoted on such stock exchanges may be sold by the underwriters, and the net proceeds of any sale of such rights shall be paid to the company."

Holders of share warrants to bearer wishing to attend the meeting in person or by proxy must comply with the regulations of the company under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his stead. A proxy need not be a member of the company.

The transfer registers and registers of members of the company will be closed from April 21 to April 24, 1981, both days inclusive.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per D. M. Davidson.
Divisional Secretary

London Office:
40 Holborn Viaduct
London EC1P 1AJ

April 2, 1981

NOTE—Shareholders on the United Kingdom register are advised that copies of the annual report for the year ended February 28 1981 will be airmailed to them from Johannesburg.

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS (BDRs) IN
DAI NIPPON PRINTING CO. LTD.

We are pleased to confirm that copies of the Semi-annual Consolidated Financial Statements for the six months ended November 30, 1980 of Dai Nippon Printing Co. Ltd. and Consolidated Subsidiaries are now available to BDR holders upon application to the following conversion agents:

Citibank branches in:
London, Brussels, Paris, Frankfort, Amsterdam, Milan
and in Luxembourg:
Banque Generale du Luxembourg.

CITIBANK N.A. as Depositary.
April 3, 1981.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN
MURATA MANUFACTURING CO. LTD.

We are pleased to confirm that copies of The Semi-annual Reports for the six months ended September 20, 1980 of Murata Manufacturing Co. Ltd.: are now available to EDR holders, upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB, and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.

CITIBANK, N.A., London Depositary.
April 3, 1981.

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U.S.$2,008,000 nominal (First Series) and U.S.$1,004,000 nominal (Second Series) will remain outstanding after 1st May, 1981.

30, Gresham Street,
London EC2P 2EB.
3rd April, 1981.

GOLD FIELDS GROUP
VOGELSTRUISBULT METAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)

NOTICE IS HEREBY GIVEN that the REGISTER OF MEMBERS will be CLOSED from 1 May to 7 May 1981, both days inclusive, for the purpose of the Annual General Meeting.

By Order of the Board
C. E. WENNER
London Secretary

London Office:
49 Moorgate, London
2 April, 1981.

PUBLIC NOTICES

CENTRAL CORPORATION BILLS
£3,000,000 Bills issued 31st March 1981 at 11 37-64ths per cent to mature 30th June 1981. Applications £15,000,000. Outstanding £8,000,000.

PLYMOUTH CITY COUNCIL
Bills £0.5m issued 1st April, 1981 at 11⁹⁄₁₆%. Due 1st July, 1981. Total applications £6m. Bills outstanding £0.5m.

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LOMBARD

Devaluation and inflation

BY PETER RIDDELL

THERE HAS never been any shortage of alternatives to the Government's economic strategy—from the "big bang" monetarism of Professor Hayek to the protectionism of New Cambridge. The problem has been to decide whether any of these policies work.

Most recent attention has focused on the ideas of the Tory neo-Keynesians (the "wets" or "moderates" if you prefer) and the Social Democrats. But an intriguing debate is now under way within the "official" opposition. Labour has rejected the middle way of Mr. Denis Healey (at least his approach as Chancellor), while committed to an expansionist strategy the party has not made up its mind whether to favour devaluation or full-scale protection.

The devaluationists appear to have won the ear of Mr. Peter Shore, the shadow Chancellor, to judge by his foreword to a new book provocatively entitled "Monetarism or Prosperity?" The authors—Mr. Bryan Gould, the former Labour MP, Mr. John Mills and Mr. Shaun Stewart—are long-standing critics of a "strong pound" policy.

Strategy

The main point of the book is the devaluationist strategy. This would involve a minimum depreciation of 35 per cent, rising in time to nearly 50 per cent, to "restore our competitiveness to a level which would give us a chance of maintaining, and in the longer-term improving, our share of world trade in manufactures."

These proposals raise several questions. First, how is the pound to be devalued? The authors favour an expansionary fiscal policy, a faster growth of the money supply and lower interest rates. The Government should itself make clear that it wants a lower pound and the Bank of England would be ordered to refrain from intervening in the markets to check any decline.

The authors believe that this package would sufficiently undermine confidence to lead to a sharp devaluation. That is like saying that the appointment of Mr. Tony Benn as Chancellor would not help share prices. The probability is that, instead of an orderly move to a new competitive exchange rate, there would be a major sterling crisis, dwarfing the events of 1976.

The second, and most important, question, is how such a devaluation could be made to stick.

How would the inflationary impact be contained? The authors recognise that this is the central issue and argue that much of the impact could be offset by the reduction in unit costs, resulting from an expansionist strategy and by the imposition of a flexible wages policy. They believe that it will not be necessary to cut real wages overall since the extra profits needed to revive the economy can be derived from the extra output.

All this is unconvincing. The evidence from the last decade suggests that a fall in the exchange rate and higher import prices feed through very quickly to boost domestic wages and prices. The devaluationists should study the work of Mr. Jack Straw, one of Mr. Shore's economics team, who has run the TUC's expansionist programme through the Treasury forecasting model. This indicates a 10½ per cent exchange rate depreciation by 1983 compared with the likely level if present policies are continued. The inflation rate would also be 4 per cent higher. If the devaluation were 40 or 50 per cent, the acceleration of inflation could make even the most enthusiastic expansionist wince.

Domestic costs

The problem is that the debate focuses too much on the nominal as opposed to the real (inflation adjusted) exchange rate, the true measure of competitiveness (as the authors recognise). The very actions needed to cut the nominal rate would aggravate inflation and would not reduce the real rate. As this week's Bank of England quarterly bulletin points out, the central issue is how to contain domestic costs. In practice this means how will it be possible to hold down real wages and boost profits. For all the devaluationists' eloquence they do not have the answer.

"Monetarism or Prosperity?" published by Macmillan, price £15.00 (hardback) and £5.95 (paperback).

School leavers pose the biggest problem

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

AROUND BRITAIN

SOMERSET

ON THE face of it, a part of Britain which has a higher than average proportion of its workforce employed in manufacturing industry might be expected to be coming apart at the seams at the moment. So it is something of a paradox that Somerset, which is not naturally thought to be an industrial county, has managed to ride the recession rather better than many other areas.

While the West Midlands is making desperate pleas to be designated as a development area, and getting a dusty response from Sir Keith Joseph, the Industry Secretary, Somerset basks in the relative luxury of having only 7.3 per cent of its workforce unemployed. And this in a county where manufacturing industry accounts for 38 per cent of the employed population compared with just under a third for Britain as a whole.

Yet Somerset's industrial strength lies in sectors which, elsewhere in the country, have taken a pounding. It has an above-average proportion of its people in chemicals, vehicles, leather goods, footwear and food, drink and tobacco.

The county's resilience is all the more interesting because it has a number of towns that are dominated by a single employer—C & J Clark, the shoe company, in Glastonbury, Showerings in Frome, British Celophane in Bridgwater, Westland Helicopters in Yeovil and Butlin's in Minehead.

None of these towns has been immune from the general downturn in the British economy. In Bridgwater there have been more than 1,200 redundancies in the past year, more than 500 in Frome, and Minehead is also something of a local black-spot. In the next 12 months it is estimated that the number of jobless could rise by some 3,000, taking the percentages up to 8 or 9 per cent.

Somerset's main problem though lies not so much with factory closures as the numbers leaving its schools. Because it is a nice place to live, people have moved out of Bristol, Bath and other towns to live in the county, throwing an additional burden on the county's educational resources.

The peak of the bulge in its schools is now among the nine-year-olds so that rising numbers coming on to the job market will continue for at least another seven years, with sizeable totals seeking work for the first time to the end of the decade. There are probably between 2,000 and 2,500 young people out of work at the moment and another 4,500 school-leavers are expected this summer.

Unemployment among young people this autumn will probably be as high as 4,500 and the distressing fact is that already some 200 have been without a job for as long as two years. Finding new work on its own is considered by the county to be an insoluble problem; the answer can only come from an upturn in the economy.

It has been told by bodies such as the CBI that at best it can expect to get 12,000 new jobs over the decade but believes that 18,000 is the minimum needed. Even this, though, would only include 25 per cent of jobs in manufacturing whereas it needs a lot more if it is to keep its place in the manufacturing league.

The council is by no means sitting back. Its strategy is to concentrate resources on Taunton, Yeovil and Bridgwater while also paying special attention to Frome and Minehead: to assemble packages of land and put in the necessary infrastructure;

Last month an economic development committee was set up to co-ordinate the work of the county and the district councils.

The districts, or second-tier authorities, have also begun to move more of their capital spending into ways which would encourage industry. Sedgmoor is laying out £170,000 at Bridgwater, Mendip has put £50,000 into a fund and West Somerset has allocated £210,000 at Minehead.

In addition, the Council for Small Industries in Rural Areas is looking at ways in which it can play a role though its contribution is bound to be limited because the Development Commission, its parent body, does not see Somerset as a part of the country in need of special assistance. There is one project being considered at Minehead, in West Somerset, where a site of 6,000 sq ft is being considered for development into small units, but not much else.

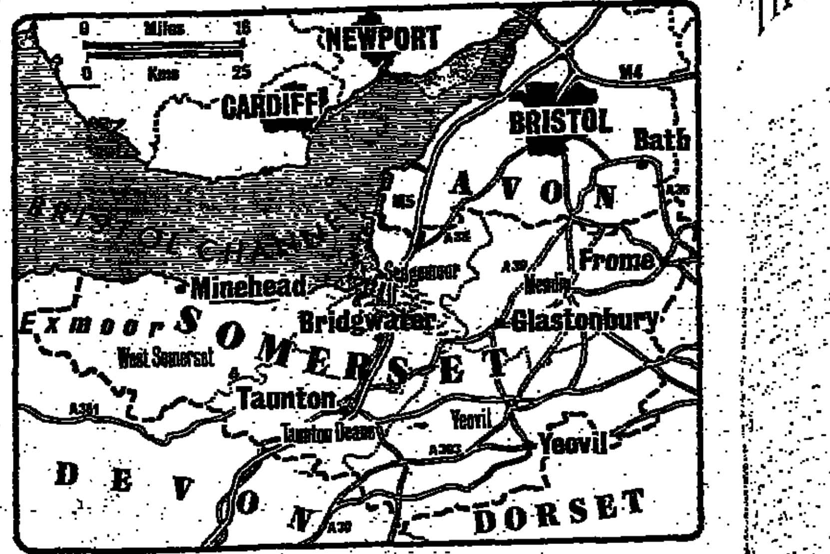
A potentially more interesting development has been the setting up independently of the local authorities of a Small Industries Group. This was started by Mr. Fred Wedlake four years ago as a group for local businessmen to act as catalysts between industry and the local authorities.

The first group began in West Somerset and was so successful that new ones have now appeared in the five district council areas, have expanded into neighbouring Devon and have attracted the attention of the Department of Employment, which is seeing if it can give some form of help.

Mr. Wedlake has already talked the Sainsbury Trust, Shell and IBM into giving some form of backing—Shell, for instance, provided a car, a small but very practical and useful way of offering help in a country community.

In a place like Somerset finding land is a big problem. The county is constrained by having a national park within its boundaries and also the last remaining major wetlands in Europe. The need to equate expansion with conservation is ever-present.

Mr. Eric Barnett, the county planning officer, has a sympathetic awareness of this problem. Land availability may be a problem but it is one which is being overcome—and overcome in a way which shows how leadership can offer hope even in these difficult times.



Broadsword can make amends

RACING

BY DOMINIC WIGAN

THE LEADING bookmakers seem in little doubt that, with better ground in his favour, Broadsword can get back on the winning trail in Aintree's Sean Graham hurdle.

Here, David Nicholson's extremely fast hurdler will, barring heavy rain, be on a retrieving mission at about one-quarter the odds offered against Baron Blakeney.

It was in an epic finish to the Daily Express Triumph Hurdle that Broadsword failed on the testing climb to the finish to withstand Baron Blakeney's late charge. This afternoon the ground will not only favour Broadsword, but so too will these tricky hurdles and the 4-lb pull in the weights he enjoys over his ½-length Cheltenham conquerer.

However, Broadsword, attempting a feat achieved by Starfen a year ago (narrow failure at Cheltenham followed by a short-priced win in this event) has a far from simple task. His rivals include Apple Wine and five respected opponents from Ireland in Tie Anchor, Kolme, Mansky, Prominent Rose, and The Very Thing.

I suspect that The Very Thing may prove up to returning each-way support with a little interest. In the Triumph Hurdle, Gerry Newman's mount looked set to take a hand in the finish, until tiring badly from the third from home.

Earlier, The Very Thing looked extremely smart in getting the better of Little Walter and For Auction on better ground in Leopardstown's near-£6,000 Sachs Hotel Hurdle.

Stan Mellor, whose Pollardstown is another high-ranking hurdler on a retrieving mission at this meeting, must consider this one of his favourite courses. Mellor, rider of Badanloch, the 1960 Grand National second, probably took more satisfaction from seeing Pollardstown trounce the odds on Monksfield in last year's Sun Templegate Hurdle here than he did from that second-placed and exhilarating ride.

Already responsible for three winners on this course as a trainer, Mellor saddles Day After, Goldridge and Bideford today. The best bet from this trio is probably Bideford.

Seventy minutes before Bideford takes to the field, Knighthood can provide that ever-popular octogenarian, Jim Joel, with a win.

LIVERPOOL

2.00 Knighthood***
2.35 Winabit
3.10 Bideford**
3.45 Broadsword
4.20 Mr. Kidd*
4.50 Sunburst

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 How Do You Do? 2.02 For Schools, Colleges. 3.25 Trem. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Heyyy, It's the King. 4.30 Jackanory. 4.45 Finders Keepers. 5.10 Homer and the Wacky Doughnut Machine. 5.35 Fred Basset.

5.40 News.
5.55 Regional News Magazines and Nationwide.
6.20 Nationwide.
6.45 Sportswide.
7.00 A Question of Sport.
7.30 Coming Home.
8.00 Barry Manilow.
8.50 Points of View.
9.00 News.
9.25 Starsky and Hutch.
10.15 Issues and Answers (London and South East only).
10.45 News Headlines.
10.50 The World Amateur Latin Dance Championships.
†11.30 The Late Film: "The Woman In The Window," starring Edward G. Robinson.

All Regions as BBC-1 except as follows:

Cymru/Wales—1.45 pm O Dan y Mor. 2.02-2.22 I Ysgolion: Hwnt Ac Yma. 4.45 Florida. 5.15-5.40 Homer and the Wacky Doughnut Machine. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.30-7.55 Trem. 7.55 Pride of Place. 8.25-8.50 Triangle. 10.15 Week in Week Out. 11.05 News for Wales. 11.06 Join BBC-1 (World Amateur Latin Dance Championships).

Scotland—11.00-11.20 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 Alyson in Concert. 10.45-10.50 News for Scotland, National News.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Spotlight. 10.45-10.50 News for Northern Ireland, National News. 1.10 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich)—Weekend; Midlands (Birmingham)—Summer Diversions; North (Leeds)—Arrival of the Water Carrier for Mesopotamia; North East (Newcastle)—Coast to Coast; North West (Manchester)—Unlucky for Some?; South (Southampton)—The New Foresters; South West (Plymouth)—Jobwatch; West (Bristol)—Public Life: St. Paul's.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.20 pm Racing from Aintree.
4.50 pm Open University.
7.00 Monkey.
7.40 Mid-Evening News.
7.55 Gardeners' World.
8.25 A More Than Equal Chance?
9.00 Call My Bluff.
9.30 Playhouse.
10.40 Cartoon Two.
10.45 Newsnight.
11.30 Friday Night ... Saturday Morning.
†12.20 am The Outer Limits.

LONDON

9.30 am Schools Programmes. 12.00 The Magic Ball. 12.10 pm Once Upon a Time. 12.30 The Television Programme. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 Friday Matinee: Glenn Ford and Ann Sheridan in "Appointment In Honduras." 4.15 Five Magic Minutes. 4.20 The Adventures Of Black Beauty. 4.45 Survival. 5.15 Clapperboard.

5.45 News.
6.00 Thames News.
6.30 Thames Sport.
7.00 Family Fortunes.
7.30 Vegas.
8.30 Holding The Fort.
9.00 My Father's House.
10.00 News.
10.30 Benson.
11.00 The London Programme: McNee's London.
11.35 Have Girl Will Travel.
12.30 am Close: Personal Choice with Lord Rawlinson.

All IBA Regions as London, except at the following times:

ANGLIA

1.20 pm Anglia News. 2.00 Houseparty. 2.25 Friday Film Matinee: "The Captain's Table," starring John Gregson, Peggy Cummins and Donald Sinden. 6.00 About Anglia. 10.30 7 Days. 11.00 SOAP. 11.30 Friday Late Film, "Rachel, Rachel," starring Joanne Woodward. 1.20 am Your Choice.

ATV

1.20 pm ATV News. †2.45 Movie Matinee: "That's Your Funeral," starring Bill Fraser. 4.50 How the Hedgehog Grew Larger (cartoon). 6.00 ATV Today. 10.30 SOAP. 11.00 ATV News. 11.05 Peter Cushing, Master of Terror in "Land of the Minotaur."

BORDER

1.20 pm Border News. 2.45 Friday Matinee: "Dirty Dingus Magee," starring Frank Sinatra. 6.00 Lookaround Friday. 6.30 Out of Town. 10.30 Quincy. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 2.45 The Friday Matinee: "Watusi." 6.00 Channel Report. 6.30 Ladies First. 6.55 What's On Where. 10.28 Channel Late News. 10.35 SOAP. 11.05 Quincy. 12.15 am News. Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 2.45 Friday Matinee: "That's Your Funeral," starring Bill Fraser and Raymond Huntley. 6.00 North Tonight, including Sportscall. 10.30 Points North. 11.30 Camera. 12.00 Seachd Laithean, presented in Gaelic by Angus Peter Campbell. 12.15 am North Headlines, Road Report.

GRANADA

1.20 pm Granada Reports. 2.00 Live From Two. †2.45 Friday Matinee: Jack Hawkins in "The Intruder." 6.00 Granada Reports. 6.30 Kick Off. 10.30 A Week On Friday. 11.00 SOAP. 11.30 After All That, This. 11.40 The Late Film: Christopher George in "Project X."

HTV

1.20 pm HTV News. 2.00 Houseparty. †2.25 The Friday Matinee: "Appointment with Venus," starring David Niven and Glynis Johns. 6.00 Report West. 6.30 Welcome Back Kotter. 7.30 Chips. 10.28 HTV News. 10.35 Report Extra. 11.35 Soap. 12.05 am Camera (Moving Pictures).

HTV Cymru/Wales—As HTV West except: 9.35-9.50 am Am Gymru. 12.00-12.10 pm Ffalabalam. 4.15 Cellyleu. 4.45-5.15 The Adventures of Black Beauty. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05 Outlook.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. 2.45 Friday Matinee: "Bronk," starring Jack Palance. 6.00 Scotland Today. 6.25 Sports Extra. 6.45 Hear Here. 7.30 The Incredible Hulk. 10.30 Ways and Means. 11.00 Late Call. 11.05 Movies Through Midnight: "Nightmare," starring Richard Crenna.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. †2.25 "Crest of the Wave," starring Gene Kelly. 4.45 The Beachcombers. 5.15 Mr. and Mrs. 6.00 Day by Day. 6.00 Scene South East (South East Area only). 6.30 Survival. 7.30 Charlie's Angels. 10.35 Come to Parkhurst. 11.05 Soap. 11.35 The Late, Late Premiere: "Petria's Wreath."

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 2.45 Friday Matinee: "The Third Girl from the Left," starring Kim Novak and Tony Curtis. 6.00 North East News. 6.02 Sportstime. 6.30 Northern Life. 10.30 North East News. 10.32 Film of the Week: "Hard Contract," starring James Coburn and Lee Remick. 12.20 am Countryside Christian.

ULSTER

1.20 pm Lunchtime. 2.45 Friday Matinee: "Appointment in Honduras," starring Glenn Ford, Anne Sheridan and Zachary Scott. 4.13 Ulster News. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 10.30 Witness. 10.35 Sportscast. 11.05 Benson. 11.35 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 The Friday Matinee: "Watusi," starring George Montgomery. 6.00 Westward Diary. 10.32 Soap. 11.05 Quincy. 12.05 am Faith for Life. 12.10 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. †2.45 Friday Film Matinee: "Broken Journey," starring Phyllis Calvert. 6.00 Calendar (Emley Moor and Belmont editions). 6.30 Calendar Sport. 7.30 Hawaii Five-O. 10.30 Love Thy Neighbour. 11.00 Pro-Celebrity Snooker. 11.45 Lou Grant.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Steve Wright. 4.30 Peter Powell. 5.30 Newsbeat. 5.45 Roundtable. 7.30 Anne Nightingale. 10.00-12.00 The Friday Rock Show (S).

RADIO 2

5.00 am Bob Kilbey (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 Ed Stewart's Request Show (S), including Racing from Aintree. 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 8.00 Barn Dance (S). 8.45 Friday Night Is Music Night (S). 9.55 Sports Desk. 10.00 The Little and Large Party. 10.30 The Organist Entertains. 11.00 Brian Matthew with Round Midnight, including 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Delius (S). 9.55 French Violin Music (S). 10.50 Light Music Miniatures (S). 11.55 BBC Symphony Orchestra in Switzerland, part 1 (S). 1.00 pm News. 1.05 BBC Symphony Orchestra, part 2 (S). 1.55 Songs by Samuel Barber (S). 2.30 Handel and Bach, harpsichord recital (S). 3.15 BBC Concert Orchestra (S). 4.10 Berg and Schumann piano recital (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.55 Play it Again (S). 7.00 Walter Gieseking plays piano music by Mozart. 7.15 One pair of Ears. 7.30 "Macbeth," opera in four acts by Verdi, from the Royal Opera House, Covent Garden, Act 1 (S). 8.20 Poetry Now. 8.40 "Macbeth," Act 2 (S). 9.10 Osbert and Sir George. 9.30 "Macbeth, Acts 3 and 4 (S). 10.40 Debussy (S). 11.00 News. 11.5-11.15 C. P. E. Bach (S).

VHF Only—Open University: 5.55-6.55 am and 11.35 pm-12.56 am

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Desert Island Discs (S). 9.45 Feedback. 10.00 News. 10.02 International Assignment. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 The Countryside in Early Spring. 11.50 Natural Selection. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather, Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.05 Weigh-in. 4.15 Folktales. 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather, Programme News. 6.00 News. 6.30 Going Places with Richard Hudson-Evans. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America by Alistair Cooke. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Miles Kington looks through the BBC Sound Archives. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Tony Fish Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 Music on the Move. 6.33 This Week. 7.03 Black Londoners. 8.00 As Radio 1. 10.00-5.00 am Join Radio 2.

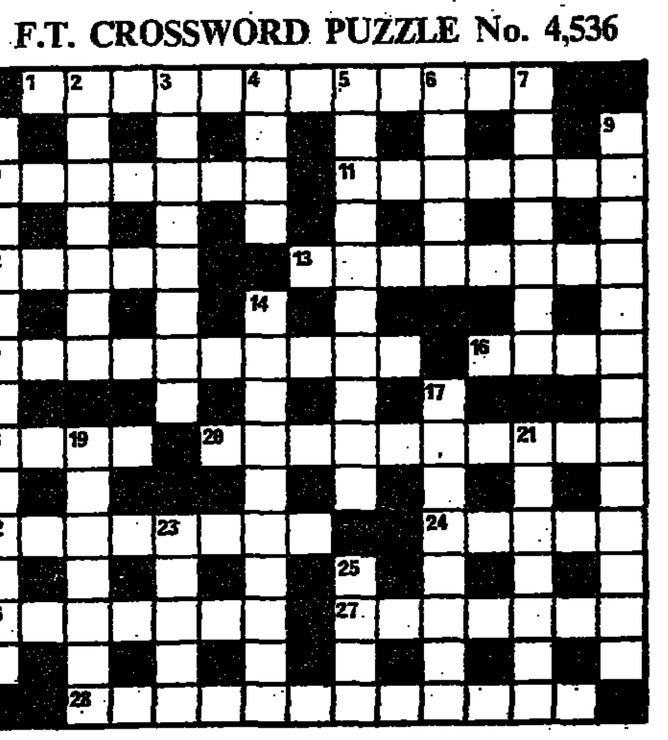
London Broadcasting

6.00 am AM—Douglas Moffitt and Alan Clark. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Mike Dickin's Nightline. 12.00 LBC Reports Midnight. 12.30 am Decision Makers. 1.00 am Night Extra. 4.00 London Rules. 4.30 City Week. 5.00 Morning Music.

Capital Radio

6.30 am John Sach's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Nicky Horne. 1.00 First Report. 1.10 Nicky Horne (continued). 3.00 Roger Scott. 7.00 London Tonight with Sarah Ward. 9.00 Peter Young (rock music). 11.00 Greg Edwards live from the Best Disco In Town at the Lyceum. 12.00 Richard Allinson.

F.T. CROSSWORD PUZZLE No. 4,536



ACROSS

1 Team to delight, but not the main gate (4 8,)
10 Joining friend in capital of Greece (7)
11 Tail of pig and its family sparkle (7)
12 Ghastly cover round ancient city (5)
13 Weight to bend a missile projector (5-3)
15 Radical gets her to telephone as a diversion (3, 7)
16 Maintain part of castle (4)
18 Slipper for an obstinate person? (4)
20 Neglected female plant (10)
22 Pole left frequently in gallery (4-4)
24 Sergeant Major gets everybody to follow, but it's of little importance (5)
26 To ring Her Majesty would be a mistake (7)
27 Subdue the spirits of and conceal in leather (7)
28 Continental spirit or factitious bravery induced by it (5, 7)

DOWN

2 Sick ringleader in bed is uncivil (3-4)
3 Turn up live with performer and villain (4-4)
4 Find fault with a snake (4)
5 Legal claim to fish in a corner (5, 5)
6 Dry between poles in Scottish county (5)
7 Middle of meal on board is edible (7)
8 Relapse and drop out of favour (4, 4, 5)
9 Sketch a line on a map to make a comparison (4, 1, 8)
14 A good chance for half of them to burst out (5, 5)
17 Hostility in the ranks making silly ass crawl (5-3)
19 Toe turned up in fat, one-piece garment (7)
21 Audio-receiver in part of RAF is standing the test of time (7)
23 Unimportant clue (5)
25 A return call, free of charge (4)

Solution to Puzzle No. 4,535

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

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THE ARTS

Round House

The Duchess of Malfi

by MICHAEL COVENEY

The Royal Exchange Theatre of Manchester opens up its second London season with a glorious production by Adrian Noble of this great play. For newcomers to the unbounded riches of Webster, I could not advocate a better introduction. For old hands, there are plenty of surprises, not the least of which is a complete text. The play is done without fear and with total conviction.

The tale of the Duchess's humiliation by her two scheming brothers is fraught with difficulties. Mr. Noble meets them all head on, surrounding the action with an exciting, doom-laden sound track by George Fenton. Screams, things that go bump in the night, the wailing of madmen, the noise of graveyards, the sinister pomp of a Renaissance court. All that is brilliantly conveyed. At the centre is the one court gall, the disenfranchised former galley slave, Bosola, who returns for payment. Bob Hoskins, squat and ferocious, plays him as a *quick-thinking spy, hopping* from side to side at the whim of circumstance, accumulating *as he goes a knowledge of other* men's goodness and a delight in the baroque expression of their bloodlust.

Mr. Hoskins resumes his partnership of that entertaining film, *The Long Good Friday*, with Helen Mirren. The roles are reversed, for one of the *most powerful elements in the* show is Miss Mirren's awareness of her status as top dog, the trapped princess who shakes off widowhood by taking the battle to Antonio while stalked by her brothers' agent, Bosola.

Leonard Burt

Helen Mirren

Usually Antonio is played as a dry old stick dripping with nothing much more than boring respectability. There is no chance of that with Peter Postlethwaite in the role, open-eyed and game for a challenge. He speaks beautifully, reeling in disbelief as Miss Mirren closes the net and playing her public denunciation of him as a muted love scene.

On the floor there are coloured tiles and a long carpet leading to the one main entrance. When the Cardinal's bed in Rome is wheeled on, for a moment you think it is Miss Mirren writhing sexually on red velvet in a fog of incense. But this turns out to be Julia (Soreha Cusack) on top of the manacled, coolly perverse Cardinal of Julian Curry. Timid productions often cut Julia, but the part flowers in the later scenes, allowing Bosola his full lustful cadenza.

Miss Mirren signals all her transformations with expert judgment. The minute she releases the salmon and dogfish aria, she is steeled for her fate. There is no ambiguity about the incestuous impulse of Mike Gwilym's Ferdinand as he disrupts the white beauty of the nursery and rolls his sister on the floor. His lycanthropy is almost a logical extension of his predicament, not some madcap manifestation coming from nowhere. The apparitions are bodies laid out on a mortuary table; the wild consort of madmen and the hideously disguised *tomb-maker instruments* of torture received by the Duchess with strange, stoical ecstacy.

The result is that the excitement refuses to tail off, as it often does, with her death. Mr. Noble sets about the climactic blood bath with the Jacobean relish he displayed in his *Titus* at Bristol. The long carpet is now a bloodied path on which the assailants disport themselves with knives, swords, blood capsules and, in the case of Ferdinand, bare teeth.

It makes for a tremendous finale. The entire cast play their part in the fascinating descriptions of medical phenomena, legal *panoply, topographical* detail, religious hypocrisy and the archaic rules of the court. *I have never seen the children* done better before and Bob Crowley's design ensures that *the evening amounts to a* magnificently costumed spectacle of honour betrayed, friendships *ripped* apart and blood ties withered. An everyday story of country folk, indeed.

ICA Theatre

Safe Houses by ROSALIND CARNE

This eminently topical play employs uncomfortably familiar material and manages to be both comic and unnerving. An ebullient and apparently successful entrepreneur Brian, travels to Sheffield to visit his straight-laced, tight-lipped younger brother, Terry, a detective sergeant. Accompanying him reluctantly is his moody 15-year-old son, Ben, child of a broken marriage, fiercely resentful of father's brightly packaged lady friend, Linda.

Psychological interplay between these four and Terry's worthy, mousy wife Anne, provides the meat of the drama. The plot centres on recession—Brian has lost everything, but hides the truth under a bouncing and occasionally truculent camaraderie. However, the story line is little more than a vehicle for presenting a pattern of relationships riddled with very British dishonesty and euphemism. Predictably, the only honesty resides with young Ben.

Safe Houses is presented jointly by the ICA and the Crucible Theatre, Sheffield. It was devised by directors John Chapman and Tim Fywell out of a series of improvisations. The technique is apparent in the occasionally meandering quality of the action, though less apparent in the dialogue, which is crisply effective, even where clichéd.

Claustrophobia envelops every encounter between the members of this strangely ill-assorted family, cleverly emphasised by a dominating curtain of venetian blinds. Terry, played by Anthony Higgins, is a highly insecure guardian *of security, assuring* his wife that Chubb locks and insulation are essential additions *to their perfectly* planned home.

The pervading fear and isolation, *rather than the* particularities of a broken business, is what makes this very much a play of the '80s. There are uncomfortably familiar moments, such as the silence when the two men agree not to talk shop with its accompanying painful sense of female superfluousness. The women have their distinct parts, but as adjuncts to their men.

The actors seem quite immersed in their grim world. Nick Stringer is a highly credible Brian, alternately cajoling and letching after his infuriating but very human Linda, played by Pam Ferris. John Fowler is a suitably sullen Ben. Anthony Higgins and Jacqueline Tong (Anne) both rely successfully on a subtle range of gesture.

Ultimately, however, one is left with a sense of dissatisfaction. For all the interest of the various confrontations, the two climactic moments fall somewhat flat. For all the superficial resolution of the action, the ending itself is unhappily sudden. One question is answered but much else that has been touched on remains frustratingly in the air.

Covent Garden

Manon

In *Manon* last night Marguerite Porter found a role which uses all her best qualities, and found herself as an interpretative artist of real distinction. It was not a matter of a promising first performance, but of a reading beautifully judged, most touching and most beguiling, already assured in expression, and entirely admirable. Nothing could be prettier than the way she played the first scene—what an enchanting smile she has!—nor anything more persuasive as a picture of ecstatic young love than the first bed-room duet with Wayne Eagling's des Grieux (itself a characterisation of exceptional intensity and lyric prowess in dance).

And how truly she showed Manon corrupted, aware of the market value of her flesh, and eager to reap every reward in admiration and wealth. The second act party scene was delightfully capricious, as too the tensions of the subsequent scene in des Grieux' lodgings, Manon torn between love and a still-kittenish pleasure in the trinkets she has won.

There was nothing tentative here, nor in the sharply played sufferings of the last act: Miss Porter is Manon by right, and in technique and emotion she did not put a beautifully arched *foot* wrong throughout the evening. A most happy debut.

From Derek Deane a no less *felicitous first appearance* as Lescaut. He caught all the scheming blackness of the character that *seethes beneath* the handsome exterior. It was a portrait of swift, vivid gesture and strong dancing — though the opening solo needs to be re-studied — and alert response to every least shift of dramatic balance. Eagling's des Grieux, as I have mentioned, was brave in dance as in feeling; company support was excellent — it is worth watching what Graham Fletcher and Paul Benson contrive to make of the beggar-scene in Act 1.

There is now a revised orchestration of the score by John Lanchbery. Orchestral sound is bigger, beefier, more sustaining to the drama for the most part, and only *momentarily so vulgar* that the ear cringes.

CLEMENT CRISP

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Cinema

Running for Britain by NIGEL ANDREWS

Chariots of Fire (A) Odeon, Haymarket
The Kidnapping of the President (X) Odeon, Marble Arch
La Cage Aux Folles 2 (AA) Cinecenta
Herbie Goes Bananas (U) Leicester Square Theatre
Crazy Mama (AA) Scala

Chariots of Fire is a fragment of history trapped in amber. Seen through a burnished, distancing glow, this astonishing compendium of beautiful images — photographed by David Watkin who shot the smoky-radiant *Robin and Marian* and Lester's Musketeer films—is about the two British university blues who ran for glory and gold medals in the 1924 Paris Olympics, Harold Abrahams and Eric Liddell. Coming from different backgrounds—Liddell was the son of Scottish missionaries, Abrahams was an English-born Jew—they found a common passion in running and, as Olympic victors, a shared niche in sporting history. Abrahams won the 100 metres, Liddell the 400 metres.

This nostalgic nugget of Little England athletics history may seem at first glance hardly worth the trouble of digging for. And indeed for a reel or two the film, directed by Hugh Hudson from Colin Welland's original screenplay, suggests a raking-over of the coals of national glory past to find a warming memory in the face of national ingloriousness now. Cambridge shimmers august and marmoreal on the skyline, the *alma mater* of Abrahams and two of his companion 1924 Olympians (Lord Andrew Lindsay and Aubrey Montague): and ere long, ever embodying the balmy past, Sir John Gielgud himself surfaces as Provost of Trinity, clinking port glasses and grand-old-man geniality with Lindsay Anderson as Master of Caius, while their budding-Olympic freshmen race round the quadrangle below. We might be quagmired in one of Michael Palin's *Ripping Yarns*, the days of old when gung-ho and games-playing flourished and college ties *flew like pennants from* aristocratic necks.

But this film is a law unto *itself and as opiate* and bewitching a piece of movie-making as Britain has lately produced. Resolutely *holding itself aloof* from standard sporting-biopic suspense, it steers its heroes through the stations of success by shimmering back-routes and branch-lines. Abrahams (played by Ben Cross) was a Jew and a fervent English patriot, Liddell (played with hypnotic quietude and charisma by Ian Charleson, a look-alike of *My Brilliant Career's* Sam Neill) was a Scottish Calvinist who "ran for God" and later became a missionary in China.

These contrasting creeds become as important in the film as the two heroes' sporting ambitions. Abrahams finds his path to success snagged by anti-Semitism and snobbery — Gielgud and Anderson rap him sniffily over the knuckles for hiring a professional trainer (Ian Holm in snow-white moustache and eyebrows as Sam Mussabini) — and Liddell later causes a rumpus at the Olympics by refusing to run his qualifying heats on a Sunday.

What gives *Chariots of Fire* its novelty of style and impact is that director Hudson has taken these high points and moments of conflict and hammered them smooth like beaten gold, so that they're flush with the rest of the movie. It is a visionary, level-landscaped limbo country between the Past and the Present: the characters are half-real, half-iconic, as if they have stepped out not quite fully primed with life and autonomy from the newspaper plates of the period.

Watkin's photography, with its shimmering radiance of bronzes and ambers, its rim-lit faces and smoky-glowing interiors, adds to the mythic quality—the film is like *If* dunked in gold—and in the athletics scenes themselves Hudson and his editor so effectively spring the trap between action and thought that we cross-cut between time-levels, between the "before" and "after" of victory or defeat; as if the action-replay were an attribute of the sportsman's mind long before it became a feature of sporting television.

Ian Holm and Ben Cross in Chariots of Fire

Chariots of Fire has the courage of its mythic nostalgia and of a wilful, almost wild unfashionableness. A province of British history hitherto annexed by Pythonesque parody has been reclaimed as a rightful protectorate of British culture, its odd inflections of patriotism and idealism now mined not just for mirth but for meaning and a mirroring light on the present.

In *The Kidnapping of the President* William (*Star Trek*) Shatner brings his space-crusading swash-and-buckle down to Earth by tackling a terrorists' plot to hold the U.S. President (Hal Halstead) to ransom for $100m after he has been kidnapped in Toronto. Flicking a handcuff around the Presidential wrist as he presses the flesh during a Canadian walkabout, the terrorist-in-chief (Miguel Fernandes), waist-coated with dynamite, shuffles his captive into an impregnable security van whose only other occupant is a volatile trunk-full of high explosives. Will the United States (and Mr. Shatner as security chief) bow to pressure or hold out for the principle of non-negotiation with terrorists?

This cunningly crafted thriller is high on suspense and plausibility, a mite less so on performance. Halstead sweats it out with a fine crankiness as the President, and Shatner flashes worried *white* teeth with style as the security chief. But back at the White House Vice-President Van Johnson does a hand-wringing, ripe-ham cameo *as the Macbeth of Washington* D.C., letting I-dare-not wait upon I-would as he thinks of *defying the terrorists and thereby* precipitating the President's demise; and Ava Gardner — turbaned like the Turk in après-shower chic — is the Thane's lady, crying "Infirm of purpose, give *me* the telephone" as her First Lady ambitions spiral skyward. Comic-strip dialogue and cut-out characterisation reign in the corridors of power, but out in Toronto the plot ticks away loudly, firmly and compellingly enough to keep disbelief well suspended.

What should be suspended in *La Cage Aux Folles 2* are the persons who dreamed up this pitiful sequel to the money-spinning farce of yesteryear about two nightclub-owning homosexuals — Ugo Tognazzi and Michel Serrault — at bay among the stiff upper wrists of "straight" society. There was a good case for arguing that the first film should have been hit censoriously over the head with rolled-up copies of Gay News. But at least if intermittently dubious in taste the movie was more-than-intermittently funny, and M. Serrault gave his now-legendary impersonation of a *castrato* chicken auditioning for the role of Bette Davis.

In this new instalment, the piping pair fall foul of a giant spy plot and the story once again requires M. Serrault to be whisked through umpteen costume-changes, *en travestie* and out, and his patient partner Ugo Tognazzi to play baritone straight man to Serrault's camp *coloratura* of shrieks and gurgles. *But the airborne* novelty of the first film has fallen with a dead thud to earth in this, and the movie resembles nothing more than an under-rehearsed, over-frenetic school *play version of Charley's Aunt.*

*

Elsewhere, it is Cloris Leach*man week, as this plucky, bird*-featured American actress comes to the assistance of a dire Disney film, *Herbie Goes Bananas*, and a capering comedy-thriller by Jonathan Demme, *Crazy Mama*. Herbie is the anthropomorphic Volkswagen who bats his headlamps like eyelids, opens and shuts his bonnet like a mouth and converses in honks with its human occupants. Miss Leachman co-stars with the vehicle in a South American romp about contraband, car chases and pre-Columbian art. The plot covers many an exhausting mile while travelling nowhere in particular, and by the end of the film both stars seem anxiously overdue for a 6,000-mile service.

Crazy Mama is no better: a joky tribute to the picaresque gangster film, school of *Bloody Mama* and *Bonnie and Clyde*, wherein ever-gamesome Miss Leachman leads a coven of over-acting co-stars across America in search of money and notoriety. Loud, long, empty-headed and unfunny.

Albert Hall

Berlioz

by RONALD CRICHTON

As part of the generous 50th *anniversary* season, the BBC Symphony Orchestra offers three Berlioz concerts in the Albert Hall. On Wednesday evening the series opened with *Romeo and Juliet* given complete, Rozhdestvensky conducting the BBC Singers and Chorus. Chances of hearing the whole "dramatic symphony," not merely the most famous orchestral excerpts, remain rare and may become rarer still in penurious times. This performance was doubly welcome, therefore, and so was the choice of the Albert Hall, which takes the cutting edge off the aggressive stages but is kinder than South Bank to the quieter music where the composer's imagination most nearly matches Shakespeare.

A condition of wakeful surrender is the best state of mind for receiving *Romeo and Juliet*. Too much thought, and the extraordinary mixture of Beethovenian symphony, cantata and opera begins to seem monstrous, the form equally impossible from abstract musical or dramatic points of view, the employment of soloists and *chorus wasteful. But listen sym*pathetically, accepting the odd directions into which Berlioz's *passionate admiration for the* tragedy led him (remembering that he knew Garrick's altered version), and everything or almost everything falls into place. The result is not an even masterpiece, but evenness of the Cherubinian kind was not what this genius was after. Something of that evenness came back to French dramatic music not long after when Gounod set the same story—he was not uninfluenced by his stormy predecessor, but how different were the results, silk and alabaster after bronze, flame and air.

Rozhdestvensky's reading was fine — balanced and sensitive with a French-classical coolness about the prologue showing that Berlioz had one foot in Cherubini's post-Gluckian world whether he liked it or not, a noble ardour in the love music, a sensible speed for "Queen Mab" which would blur in this hall if played too fast (and the marvels of the scoring could be savoured), plenty of swagger for the rowdy episodes which have a whiff of Meyerbeer. The general clarity was such that a few roughnesses in the brass and momentary loosenesses of ensemble were heard but forgiven.

The distinguished soloists were Sarah Walker, Robert Tear and Jules Bastin, who made Friar Laurence credible and unpompous. There was a good *audience, except upstairs, where* it was very thin. The Requiem, under Brian Wright, with extra *choirs, follows on Sunday week* (April 12). John Pritchard conducts the last concert on Wednesday April 15, with Söderström and Peter Schidlof as soloists in *Summer Nights* and *Harold in Italy*.

Wigmore Hall

Edward Cowie

by DAVID MURRAY

Cowie's recent piano duo, *The Falls of Clyde*, had its first complete performance on Wednesday. The two paintings of that *title by Turner, done 30 years* apart, inspired Cowie's pair of movements (each about a quarter-hour long): *the second* is a "reworking" of the first. They are not much contrasted in total effect, but the freshly varied detail generates new interest in the second movement, which has a greater effusion of arabesques and a flamboyantly rhetorical close.

It would not be unfair to nap *The Falls of Clyde* as a trip from Tippett to Messiaen (not that either man's music is out of earshot here for long). *Elaboration* does duty for development. At this first hearing, some of the principal *gestures sounded riskily* banal, and some of the elaboration heavily opaque — but it was *too soon to make a judgment.* Before the Cowie work the duo-pianists, Antony Lindsay and Simon Young, played Ravel's *Mother Goose* Suite in reasonable *taste but with no feeling* for picturesque atmosphere, and with their four hands all too rarely *falling* together on the beat.

Those audible infirmities prompted one to think (a) that they would have done better to take the Suite in its original form at one keyboard, and (b) that they were rather likely to give a blurred representation of Cowie's music. The case is not proven; but their cack-handed assault upon Mozart's D major Sonata later, which drove me from the hall, aroused grave *suspicions.* Much more may be going on in *The Falls of Clyde* than met the ear — *plainly the performers* were making redoubtable efforts, but nobody who can play Mozart so *lamentably is to be trusted.*

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Farm prices

THERE IS only on thing to be said in favour of the European Community's farm price package just approved by the Agriculture Ministers in Brussels: it was wrapped up in record time, with little or none of the all-night sittings, clock-stopping and other melodramatic grunting and groaning which we normally associate with television wrestling. Instead, with a rare unanimity, the Ministers turned their backs on the structural problems facing the common agricultural policy, and awarded the farmers a price increase significantly larger than had been proposed by the European Commission.

The size of the price increase — 9.5 per cent, instead of the 7.8 per cent proposed by the commission — is regrettable, especially when it is linked with additional benefits for the farmers in France, Ireland, Denmark and Italy, through the devaluation of their green currencies. But it is understandable, considering that farm incomes have been falling in the Community, in some member countries for as many as four years.

What is not understandable is the refusal of the Ministers to link the price increase with any significant measures for controlling over-production, apart from more flexible beef intervention, and the commission is to blame for withdrawing its proposals before it was forced to. The result is that the day of reckoning for the CAP has been postponed, but that when it comes it will be all the more brutal.

A restatement by Sir Keith

AFTER TWO YEARS as Industry Secretary, Sir Keith Joseph yesterday made his first comprehensive public statement on industrial policy. In deciding to speak out Sir Keith is to some extent responding to the growing disquiet among industrialists who have been calling for Government to play a more active part in helping industry through the recession. However, the act of restating policy was his only concession to the critics, for there is little sign of change in Sir Keith's beliefs about the desirability of reducing, rather than expanding, Government involvement in industry.

Far from compromising with the view that the Government needs a more activist policy involving, for example, the picking of winners among companies and industrial sectors, or the channelling of North Sea revenues into industrial investment, Sir Keith tends to understate the degree to which he has already deviated from the ideal of non-interference with market forces.

The Government's large assistance to British Steel and BL was probably an unavoidable response to the depth of the recession. But the support for British Steel, in particular, involved a reversal of the initial policy, which was to move to non-intervention and commercial self-sufficiency within a totally unrealistic deadline. The more recent decisions to increase subsidies for uneconomic coal mines and to provide guarantees for ICL, rather than insisting on a market solution, have taken the Government rather further from its chosen path than Sir Keith suggests.

Nevertheless, Sir Keith is right to stress that the broad thrust of the Government's industrial policy remains unchanged. Most of the Government's actions remain consistent with the principle that the best way to help industry is not directly by spending public money but indirectly, through sound macroeconomic policies and through improvement of the environment in which businesses operate. The strongest charges that can be levelled at the Government's policy on industry to date is that the balance of its monetary and fiscal policies was initially misjudged and that the actions to improve the business environment have not been very far-reaching. The efforts to stimulate competition, and reduce monopoly power, particularly in the public sector, have been disappointing.

If the recent Budget is successful in bringing about a decline in interest rates, then the absence of specific fiscal concessions to industry will have been justified. We believe that Sir Keith is right to argue that cuts in corporate taxes would have been counter-productive if they led to higher public borrowing and higher interest rates. The one type of public borrowing which could assist industry and help stimulate a soundly-based economic revival is that which is used to finance profitable investment—a point which Sir Keith mentions, while sticking rather doggedly to the doctrine that any such investment must in some sense be "privately financed." But even in this area there are signs that the Government may be able to develop a consistent and yet pragmatic approach.

An olive branch from Trudeau

MR. PIERRE TRUDEAU, the Canadian Prime Minister, has transformed the argument about giving Canada control over its own constitution. His proposal to refer the matter to the Supreme Court of Canada, if taken at face value, will relieve the British Parliament of the invidious task of taking controversial decisions on behalf of Canadians.

The outline of the argument is as simple as the details are complicated. Canada is a federal state, governed in accordance with the British North America Act of 1867, an Act of the Imperial Parliament setting up a union of what is now Ontario, Quebec, New Brunswick, and Nova Scotia. Other provinces joined in due course. Power to amend the Act was left with Westminster upon receipt of the appropriate request from Canada. Even when Canada became fully independent in 1931, power of amendment remained in Westminster because the Canadian federal Government on the one hand and the provincial governments on the other never could agree on a procedure for future amendments.

Westminster's power is no more than a relic of a bygone colonial era. Nobody seriously suggests that Britain has power to impose anything upon Canada. Last year Mr. Trudeau decided to proceed unilaterally by asking the Canadian federal Parliament to adopt a resolution in favour of "patriating" the constitution, which means putting it under exclusive Canadian jurisdiction. At the same time he proposed a formula for making future amendments and a Bill of Rights as part of the package to be submitted for approval by Westminster

That caused an immediate outcry from a majority of the 10 provinces. They felt that an imposed amending formula and the Bill of Rights infringed their rights. Bitter argument began as to whether Mr. Trudeau's proposals were lawful, or whether patriation could only take place with provincial agreement.

In London, the select committee on foreign affairs of the House of Commons found that a modicum of provincial support was required before Westminster could act. The Foreign Office seems to believe that, in law, Westminster must endorse a proposal properly submitted by a resolution of the Canadian Parliament. But that opinion has not so far been published. ..

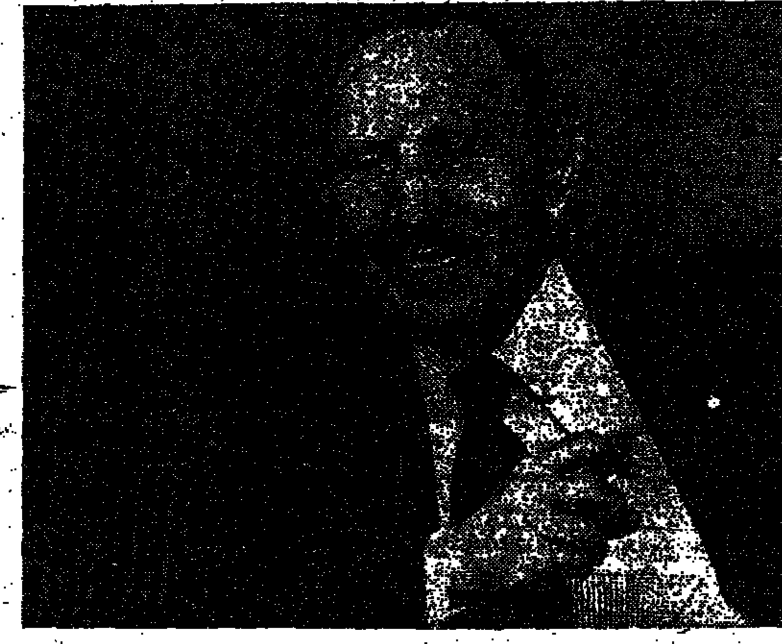
The official Canadian opposition, the Progressive Conservatives under Mr. Joe Clark, sided with the provinces. They staged a filibuster and matters were further complicated by contradictory decisions in the Appeal Courts of Manitoba and Newfoundland. The former ruled that Mr. Trudeau was in his rights, hte second said he was wrong.

Mr. Trudeau decided to forestal the inevitable appeals to the Supreme Court by undertaking himself to ask the court for its opinion. He undertook not to "press" Westminster to act before the court has spoken. Mr. Clark immediately suspected a trap: was Mr. Trudeau after all trying to create a legal *fait accompli* by pressing to a conclusion the debate in the Canadian Parliament? That is a question that the parliamentary managers of the political parties in Ottawa are trying to sort out.

The Prime Minister's motives are a matter for conjecture. The obvious guess is that he believes that the Supreme Court will back him. Whatever his strategy, Mr. Trudeau must know that he would be doing his policies and his reputation a disservice if he were to be playing fast and loose with the court, as Mr. Clark suspects.

From the British point of view all that is secondary. If the court rejects the package, Mr. Trudeau himself has said that he would have to withdraw. If the court says that Mr. Trudeau is in his rights, Westminster should accept whatever the Canadian Parliament proposes without sniping against individual provisions. Britain must not be dragged into Canadian quarrels.

Sir Charles lays it on the line



Barry Riley interviews Sir Charles Forte (right) as the hotel chief plans his latest moves in the Savoy group takeover battle. Michael Thompson-Noel (below) breakfasts at the Savoy....

"MY FIRST intention is to improve the hotels in every aspect. That—if I want to make money out of these hotels *eventually—is* the essential point of my being interested in the Savoy group. If I were *not interested* in that way I wouldn't want the Savoy group. I don't need it otherwise."

Sir Charles Forte is still a long way from his ambition of obtaining control of the Savoy. Today the application by Trusthouse Forte to put proposals to Savoy shareholders is due to be heard in the High Court. That could prove a formidable hurdle, and even if it is successfully negotiated THF will still have to win over holders of 75 per cent of the Savoy "A" shares against bitter opposition from the Savoy board.

Yet *Sir Charles—who at 72 is* still firmly in control of THF as executive chairman—has already mapped out plans for what he describes as the "restoration" of the ailing Savoy group, which dipped into the red in 1980 and was recently forced to announce the sale of a wing containing a third of the bedrooms of its flagship hotel, the Savoy.

Sir Charles is scathing about the disposal. "They say the site *isn't very good*, it's too big a hotel. Even to say things like that the shareholders should rise *in anger*. *How dare they run* down their own hotel!

"This is the most wonderful position between the City and the West End, near the Houses of Parliament and near Fleet Street, and facing the river. If one had to plan a hotel one would build it there." The occupancy rate of the nearby Howard Hotel, not a THF unit, *is more* than double that of the Savoy, he claims, speaking from his office at the Grosvenor House Hotel.

THF agents have investigated the Savoy hotels—four of which are in London, with a fifth, the Lancaster, in Paris. It is, he suggests, "ludicrous" that he should be accused of wanting to demote the hotels.

"My people have told me exactly what is necessary. We shall have to spend £10m or £15m first of all on the telephone systems, and the lifts and the electrical systems and the plumbing and the decoration and so forth. The Berkeley *requires* very little expenditure, if any. The money would go on the Savoy, on Claridge's and on the Connaught."

But Sir Charles is careful to emphasise that he does not foresee revolutionary changes if THF wins control. "I don't *think we shall need many* changes in the Savoy," he says. "I think the management and staff are good people. I think they need direction."

How can this be achieved? "It's an indefinite thing. I think it starts with me and 20 people at the top of this company. Because I don't run this company, I direct it. It's not a big company as companies go, but as a hotel company it's big, and therefore it takes care and attention."

Sir Charles has somebody new in mind to run the Savoy group. He confirms it is *someone* within the THF group: "Quite a brilliant person; it hasn't been officially communicated, but I think *he understands*."

It would, he says, take THF three or four years to put the Savoy group back into good shape. "We are not going to change the character. We haven't changed the character in our hotels, we've improved the character.

"If you go to the Hyde Park today you will find marble walls *which were covered with paint*. We took the paint down. We haven't made the Hyde Park into a plastic modern place, we have taken it back maybe 50 years to make it as it was. We shall do the same with the hotels in the Savoy group."

He scoffs at the talk about portion control. There is, he suggests no need for that in a *luxury hotel where skilled chefs* are in control. "Our top-class hotels are in the hands of top-class people. And we run first-class operations in all divisions.

"They need marketing. Why should it be wrong to market and to sell a hotel company? What is wrong with having 140 agents round the world? How *do you expect to keep afloat* in times like these?"

He continues: "We would incorporate the Savoy group within the circle of our top class hotels. We would probably form a unit consisting of the George V, the Plaza Athénée, Brown's Hotel, the Hyde Park, Grosvenor House, the Imperial Hotel Torquay, the Sandy Lane Hotel Barbados. We would have a marketing man for that group."

"*Of course*, size gives us that possibility of doing that bit better. We're just computerising our front office reception centres. Not to give a mechanised service, but to give better service to our customers. These are what I call commonsense management aids to our profession."

"Buying is very important, too." *He gestures at the plain* brown carpet on the floor of his office with a view across Hyde Park. "This carpet is a good carpet, it's part, I think, of a 50-mile order for carpet. Is there anything wrong with it because there's another 49 miles of the stuff? Does it have to be bad?"

Putting into full effect the new direction and management of the Savoy group hotels *would take time, Sir Charles* accepts. But they could be sold around the world as the best there are. "All right, there may be less Americans, but there are more Frenchmen, more Germans, more Japanese, more Italians, more Spaniards. They have money to spend."

For all his obvious ebullience, Sir Charles has had to contend with an awkwardly timed blow to the group's morale. The loss of the management contract of the Pierre in New York is unlikely to be overlooked by the Savoy as a defensive argument if the courts give the go-ahead for a full-scale take*over battle*.

Sir Charles explains: "We were not removed from the Pierre because of management; we were removed because we made it too easy and too profitable." He suggests that the hotel's permanent residents, who have votes in the management, have been tempted away by "irresistible" terms. The new management contract has gone to the Canadian group Four Seasons, operators of London's Inn on the Park.

"We took on the Pierre when *it was losing money*," he says, "when it needed refurbishing and when it was getting shabby and when it certainly wasn't the finest hotel in New York. They were hawking that hotel everywhere eight years ago. Nobody wanted it.

"The *hotel has become the* hotel in New York. The money which we eventually made out of the hotel was money we invested—and a lot more. They were losing \$3m a year in that one hotel. Last year we made \$2½m in that place and made *it* into the hotel it now is.

"They were very happy with us—so they were telling us. But *they changed* the board and threw the old chaps out. And they started talking to smart money."

On the prospect of a fight for the Savoy, Sir Charles is surprisingly philosophical. "There must be a loser. You *know*, it *is not* always pleasant—there are two sides to winning. One side wins, the other loses. One side is *sad* and *the other* is elated."

He sees other areas for expansion. Despite all the bad publicity from catering guide editors he wishes THF had more motorway restaurants. From a *sheaf* of letters he *selects one from a motorist* praising him for providing the best breakfast in Britain.

"Even Egon Ronay says our motorway restaurants are better," he says. He points to the adjacent Grosvenor House. "He must be right in some things because he places this hotel above the Savoy."

The Savoy: past glories and present realities

AMIDST THE BATTLE of words and cross-fire of insults *that has marked Trusthouse* Forte's bid for the Savoy group of London, the quietest haven, at breakfast-time yesterday, was the Riverside Restaurant of the Savoy Hotel itself.

The Savoy is fond of likening its famous self-sufficiency to that of an ocean-going liner, and with its demure *pink tablecloths* and refined security, the Riverside Restaurant offers the serenity of the Lusitania—plus a perfectly good breakfast at less than £10 for two.

In an atmosphere like that, the Savoy's withering jibe—*that among other things*, THF "runs service stations on the main arterial roads, and airport catering"—lingers like the aftertaste of kipper.

Yesterday, however, the Savoy preferred to stress the positive, emphasising that its motto, For Excellence We Strive, has been underpinned by expenditure in the past three years of £4.5m on decoration and refurbishment.

At prices that range from £55 per night per single room to £200 or more for a Thames-side suite, it believes it is neither over-priced nor under-marketed. (The rates were raised last September, and are being pegged for a year.)

It says it is the little things that count when running the world's best-known hotel. It has a *Drury Lane factory* where it makes its own mattresses, and maintains a card index on all residents and guests, listing preferences and foibles. It has its own laundry, its own florist, and bakes three times a day. It boasts *its own management* training school, and in its 200 rooms, uses Irish linen sheets which are turned down every night.

But it no longer rules the roost as once it used to. The Savoy itself is still making a loss (group losses in *the first* half of 1980 were £837,000, whereas it made a £2.3m profit in the Jubilee year of 1977), and in the 1981 Lucas Guide to good hotels and restaurants compiled by Egon Ronay, the Savoy was given a *rating of 84 per cent*, edging it out of the de luxe and into the grade 1 class.

The group's other London hotels (the Berkeley, Connaught, and Claridge's) were given 92 per cent, better than THF's Grosvenor House (88 per cent) and Hyde Park Hotel (82 per cent) but still pipped by the Ritz (which is owned by *Trafalgar House*, and scored 94 per cent).

Mr. Ronay has said the Savoy is still an outstanding hotel, but that despite expenditure on improvements, it is not what it used to be, either in appearance or the *service it provides*.

These are not good times for London's hotels. The dearth of transatlantic visitors, the strength of the pound and London's reputation for boasting some of the costliest hotels on earth, has produced a *sharp fall* in occupancy rates, and severe price-cutting.

According to figures from the English Tourist Board for last December, the average room occupancy for the higher-tariff London hotels was 49 per cent, against 58 per cent in December, 1979, and 71 per cent in December 1978. On a calculation by the London Tourist Board, the revenue from one of London's five-star hotel bedrooms fell to an average of £795 a month *in 1980 against £1,135 a month* the previous year.

Mr. Giles Shepard, the Savoy group's managing director, says that revenue at the Savoy last year was approximately 65 per cent of potential, against 85 per cent or more for the Berkeley.

But times have changed. In July, on the night of the royal wedding, the Savoy is staging a Royal Wedding Ball for 400 celebrants. Tickets will cost £65-£75 and the champagne will *flow* (the price includes breakfast).

It will no doubt be worth it. It may even be jolly. But it is a far cry from the Edwardian era, when George Kessler, the champagne millionaire, gave a gondola party. *The old forecourt of the* Savoy was flooded to a depth of several feet, guests dined by the light of 400 Venetian lamps, and were sung to by Caruso. Sir Charles Forte himself couldn't bring back that.

MEN AND MATTERS

Switching to electric

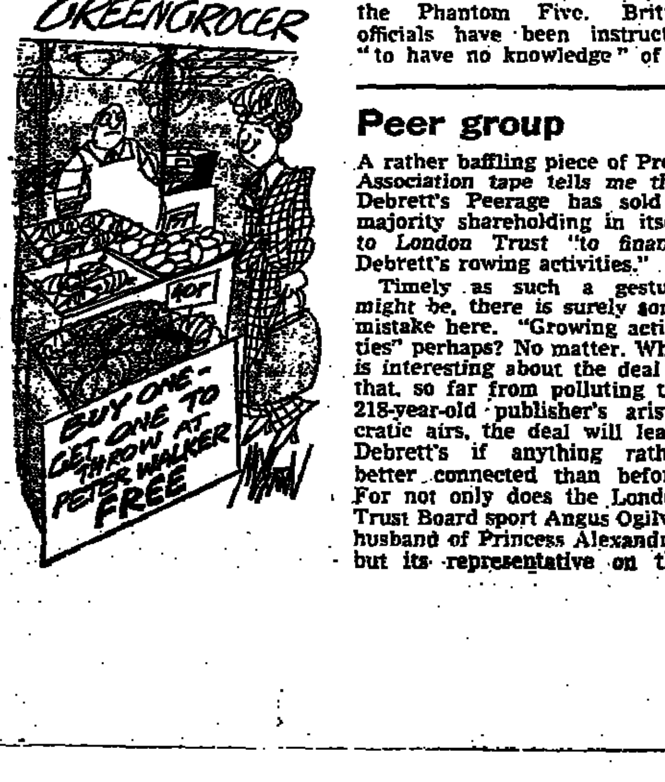
It is a year since John Lippitt slipped quietly from his office at the Department of Industry into a job at Lord Weinstock's GEC headquarters. The Civil Service deputy secretary went *with the Prime Minister's* blessing and, though well-known in Whitehall for his drive and forthright manner, without the public fuss that might have been expected.

But this week the news spotlight has twice picked him out for separate, but apparently not unconnected, reasons. Lippitt was at the centre yesterday of criticisms voiced by the Treasury and Civil Service select committee about the way *civil servants are allowed* to move into the City and industry without public discussion of the reasons.

The MPs wanted to know why the Government had allowed the 52-year-old Lippitt to switch immediately from the Industry Department, where he had helped GEC and other companies obtain a major Hong Kong power station contract, to a much higher paid post in GEC itself.

No direct answer was forthcoming from the Civil Service *Department. But reference* was made to the official rules which state that such moves may be made without restriction "in the national interest."

The "*national interest*" in Lippitt's case became clearer earlier this week. Working with his old Whitehall colleagues, he landed a second power station order, worth £550m, for a British group led by GEC.



Privy counsel

Cabinet leaks and revelations about MI5 have inevitably led to some belated and nonsensical attempts to demonstrate that Whitehall can still keep a secret.

Chancellor of the Exchequer Sir Geoffrey Howe is to meet finance ministers from the U.S., Japan, France and West Germany in London on April 10 to discuss the world economy. News of the talks has been leaked in the U.S. but Whitehall persists in treating the event as if it were a gathering of the Phantom Five. British officials have been instructed "to have no knowledge" of it.

Peer group

A rather baffling piece of Press *Association tape tells me that* Debrett's Peerage has sold a majority shareholding in itself to *London Trust* "to finance Debrett's rowing activities."

Timely as such a gesture *might be*, there is surely some mistake here. "Growing activities" perhaps? No matter. What is interesting about the deal is that, so far from polluting the 218-year-old publisher's aristocratic airs, the deal will leave Debrett's if anything rather better connected than before. For not only does the London Trust Board sport Angus Ogilvy, husband of Princess Alexandra; but its representative on the Debrett's Board will be Ian McCorquodale, son of Barbara Cartland, and half-brother of Countess Spencer, stepmother of Lady Diana Spencer.

Not, of course, that the Spencer connection had any bearing on the signal triumph *scored by Debrett in its gamble* on the outcome of the royal romance. Last November, three months before the tying of the knot was announced, preparations began on Debrett's Book of the Royal Wedding which comes out on April 30.

The decision to do the photo research on Lady Diana and have the book ready to print in Holland has, *says new joint* managing director Robert Jarman, "put us two months ahead of other publishers." Already, there are 175,000 advance orders, a sizable chunk from North America. "If it really takes off," he added, "sales could total anything between 200,000 and 500,000 copies."

Package deal

Package holiday salesmen could do worse than keep an eye on the bestseller lists. For what Richard Adams did for an obscure corner of Berkshire in Watership Down and Alex Haley did for Guinea Bissau with Roots is now happening in *Japan as a consequence* of the runaway success of James Clavell's blockbuster, Shogun.

The novel, a swashbuckling adventure set in 17th century Japan, has now spawned its first *package tour*. *Ten pioneers on* the "Shogun Passage," including eight Americans of Japanese descent, the grand-daughter of a missionary and a Catholic deacon, flew in to Tokyo this week for a two-week tour of the country's romantic past.

Their guide insists on being called Anjin San or navigator, which Shogun buffs will recognise as the name given to Clavell's hero, William Blackthorne by the Shogun of the day. Blackthorne is, in fact, based on a real Englishman, Will Adams, whose *entrepreneurial activities would* undoubtedly have earned him a senior management position with Jardine Matheson, had there *only been head* hunters around at the time.

Adams became a trusted adviser to Shogun Ieyasu Tokugawa and remained at his court until his death in 1620. At various times in his career he represented (for a suitable consideration) Spanish, Portuguese, Dutch and finally English trading interests. The latter declined Adams' advice to outmanoeuvre the competition by establishing themselves in a fishing village to the North East of the court. It is now known as Tokyo.

A song to sing

With the D'Oyly Carte Opera Company feeling the *financial pinch*, a *group of impresarios* has decided to give Gilbert and Sullivan addicts a chance to take *Gilbert's own advice* to "stir it and stump it and blow your own trumpet."

The Tuesday Partnership, which has successfully staged massed amateur performances of Handel's Messiah and other oratorios, has hired the Royal Albert Hall for a spontaneous rendition of the Pirates of Penzance on May 29.

An entrance fee of £3.90 will be levied on singers, musicians and audience alike. The Partnership *expects a full house of* 4,500 participants with hundreds of daughters of the fecund *Major General Stanley* "climbing over rocky mountains" and as many pirates with "cat-like *tread*."

Bare facts

Hand-outs from the British Film Fund ("Eady" *money*) continue to support our flagging film industry. Among the beneficiaries *listed in the latest BFF* figures are: Diary of a Space Virgin; Erotic Inferno; Penelope Pulls It Off; Let's Get Laid; Boobs; Sex Express; What's Up Nurse; and, of course, What's Up Superdoc!

Observer

The idea of European Union bounces back

THERE IS nothing like a good old row with the Common Market to show that on some issues at least the House of Commons is still united. When Mrs. Thatcher repeated the glad tidings from Maastricht last week that the meeting of the European Council had failed to agree on a common fisheries policy, she was congratulated on all sides.

It was almost like the days of the previous government when Mr. John Silkin made his name as a negotiator by refusing to agree on anything at all. Better still, it was like the time—a year or so ago—when the Prime Minister would win plaudits all round for threatening to bring the Community to a standstill because of the excessive British contribution to the budget.

In the House of Commons, as in the country, the kudos comes from being seen to stand up to Europe, not from reaching agreement. Anti-Market sentiment has become terribly tempting to play to.

There are at least three paradoxes here. However unpopular the Community may be, and however much politicians may pander to that, the view at the top of government is that membership is more essential than ever for political reasons. The natural instinct in British foreign policy nowadays is to turn to Europe.

Again, for the first time Britain has a chance to negotiate the future of the Community from within as an equal partner and not as a special pleader. That is implicit in the interim agreement on the British budgetary contribution last May. The agreement set ceilings on how much Britain would have to pay and called for a restructuring of Community expenditure, that is, away from spending some three-quarters of Community resources on agriculture.

If the Community drags its feet on reform—and no-one is saying that the negotiations will be anything but bloody—the cards will still lie with the British. The agreed 1 per cent ceiling of VAT revenues which go from member states to the Community will be reached in a year or so's time. No major member is in a mood for expenditure to be raised, so reform will have to come.

Enlargement of the Community to include Spain and Portugal should also concentrate the mind on how resources are allocated. That, too, will have to be negotiated in the next year or two.

Suggestions are already coming from West Germany that the best way of dealing with the budget would be to set fixed limits on how far member states could be net beneficiaries or net contributors. They have been quietly welcomed by the Foreign Office. As Lord Carrington, the Foreign Secretary, noted in a speech last week, the aim must be to see that the "cumulative impact of the Community's expenditure policies is less haphazard than in the past." In other words, there must never again be a situation where the British contribution continues perversely to rise without a ceiling in sight. There again reform is there to be played for.

The third paradox is that while Britain continues to complain about fish and the general injustice of it all, there are stirrings on the Continent which indicate that the Community may be ready to move in the direction that successive British governments have always wanted.

The principal British complaint against the Community, at least from the time of membership onwards, has always been that it is too concerned with agriculture and not enough with politics. There are now signs especially, but not only, from Bonn that a more political Europe is coming back on to the agenda.

Lord Carrington (left): modest proposals; Herr Genscher: is it not time for a "treaty"?

The first public indication of the new mood came in a speech by Herr Hans-Dietrich Genscher, the West German Foreign Minister, to his Free Democrat Party conference on January 6 this year. It was taken up by Sig. Emilio Colombo, the Italian Foreign Minister, after talks with Herr Genscher, and the ideas have been expanded slightly in an article in the latest issue of Europa-Archiv by Dr. Niels Hansen, the Director-General of the Policy Planning Staff of the German Foreign Office—a trial balloon if ever there was one.

The Genscher thesis is briefly this. The Community has more or less achieved most of its original objectives like the customs union, but the movement towards European unification is beginning to stagnate. There is a need for a new political impulse. "Is it not finally time for a treaty on European Union?" he asked in his original speech, though the word "treaty" has sometimes been modified since to "declaration" or "text."

Essentially European Union is defined as a common foreign policy, if not at the beginning, at least as the ultimate aim. Herr Genscher is suggesting that there might be a contractual link between what the Community has achieved so far stemming from the Treaties of Paris and Rome, the meetings of the European Council which are not based on the Treaties, and the present ad hoc form of Political Co-operation.

Nothing about this is especially new. It has been the periodic language of the Community over the years. Nor is it yet official German policy. The word is that Bonn is awaiting the French Presidential elections in a month's time before turning it into a diplomatic initative, although the initial reaction from President Giscard d'Estaing has been quite favourable.

(There may then have to be another slight pause for the elections in Berlin in May. If Herr Schmidt's Social Democrats lose power there, his own position as Federal Chancellor could be in doubt. But whatever happens in German coalition politics Herr Genscher should still be in the Foreign Office.)

Anyway, even if the idea has been aired before, it may be that its time is ripe. The Germans have also been rather subtle in suggesting that it really has French origins. The texts which European diplomats have been looking up in the past few weeks go back to the Fouchet Plans of 1961-62. Those were essentially French schemes for European political union.

Indeed one of the reasons why Britain first applied to join the Community when it did in 1961 was precisely that Europe was beginning to talk about political cooperation and the British Government wanted to get into the act. It is also sometimes said that one reason why General de Gaulle applied his first veto was that Britain was altogether too interested in this field.

The Fouchet Plans foundered partly because some of the smaller members were unclear how far a European political union was meant to be independent of the U.S. and how far it was meant to be complementary to the Atlantic Alliance. They also had doubts about the role that France was prepared to assign to Britain.

Today it is quite different. The French no longer have a complex about the U.S. Relations between Paris and Washington are as close as they have ever been—rather closer, it sometimes seems, than relations between Washington and Bonn.

The common theme of recent speeches, certainly those by Herr Genscher and Lord Carrington, has been for Europe to speak with one voice in order to increase the weight of the Community as a partner to America. (In President Kennedy's day the theory used to be known as the twin pillars of the Alliance.)

No great contradiction seems to have come from Paris, despite the French election campaign, and the French may be pleased to note that the German trial balloon includes the original Fouchet proposal that co-operation should be extended to culture.

The British Foreign Secretary has made his own modest proposals as to how political co-operation in the Community might be further developed. For example, in a speech in Hamburg last November he suggested the creation of a small permanent support staff to service the Foreign Ministers: not a bureaucracy of international civil servants, but of diplomats temporarily seconded from national foreign offices. Again the germ of the idea was originally French, but none the worse for that.

There is also a review going on by the Political Directors of the national foreign offices—the people who look after existing Political Co-operation on a day-to-day basis—of the progress so far. The British Foreign Office would probably like this to be followed by recommendations on future action, but has not yet said so aloud. Presumably it is waiting for others to give the lead.

One of the reasons for the relative British reticence in these matters is said to be the fear that the country will again be suspected of being in Europe only for the politics. Yet it seems to me that that is a double-edged argument. Far too little has been said in Parliament about what political co-operation is. No complete set of the relevant texts has ever been published in English, except by the Germans. Questions on the subject are very seldom answered at any length in the House of Commons.

If the Germans now make the running and come up with proposals, backed by the French, for a treaty — or even a declaration — of political union later this year, it is quite likely that British public opinion will be taken by surprise. It will be seen as a Continental plot, abetted by the Foreign Office, rather than a turning of the Community in the direction we have wanted from the start. Almost certainly, that is how much of Parliament would react.

And yet there it is, if not for the taking, at least in inchoate form: a Europe that is beginning to co-ordinate its foreign policy not against the U.S., but in order to seek a more effective partnership. The German version of the Fouchet Plans would, like the originals, include greater co-operation on the security aspects of foreign policy, but would not attempt to supplant NATO. It could lead to a joint European approach to arms control, one of the most pressing political matters in all member countries.

The developments have been gradual over the years. There is already something resembling a Community policy on the Middle East and a common position on the follow-up to the Helsinki agreement on security and co-operation in Europe. But it may well be that the time has come for the great leap forward.

It would be ironic if this were to happen when British opinion was continuing to move against the Community. The Government ought to be saying that apart from fish — which can surely be resolved—the outlook for European co-operation is rather better than at any time since Britain joined. Lord Carrington is doing very well, but he is a remarkably lone voice.

Malcolm Rutherford

Letters to the Editor

Criticising monetarism

From Mr. M. Barnato

Sir,—Professor Brian Griffiths and others (March 31) draw an analogy between money and prices and the 8.16 train to Holborn Viaduct. They say although it "may not arrive exactly on time, it will rattle in sooner or later." I am all in favour of simple analogies but this one is misleading. A better analogy would be with trains on the Bedford to St. Pancras line—which is currently undergoing electrification. Trains are subjected to unpredictable lags—on occasions very long. Granted that trains eventually arrive at their destination, how many people will have been inconvenienced en route; will there be enough seats on the train and when the journey is ended will it all have been worthwhile?

Samuel Brittan (Lombard March 30), in the course of an entertainingly acid attack on the 364 academic economist critics of government policy, rather spoils things by saying that "the Government stands a sporting chance of proving right" on counter inflationary demand management. What is success and how would we recognise it if we saw it? Is it simply a reduction in inflation to say, 5 per cent to 6 per cent? Would this result in a permanent reduction subsequently if, for example, sterling weakens, profit margins recover and competition in the High Street becomes less fierce?

At some level of unemployment and recession it is likely that a very low rate of inflation can be achieved. But just as high and uncertain rates of inflation can damage the social fabric so can high and rising rates of unemployment, especially when the effect is concentrated on particular localities, industries and minority groups.

If no recovery in economic activity takes place we will have paid a very heavy price in terms of high unemployment and reduced living standards. It is also possible that further moves towards indexation of savings and capital media and use of inflation accounting may make any given level of inflation less of a problem.

The proper test of government counter inflationary demand management policy is surely whether subsequent growth of productive potential will be faster so that lost output is eventually recovered? It seems unlikely that this will be the case in view of lack of any supply side policies and recent shortfalls in investment.

Michael Barnato.
2 Lilac Way,
The Grange,
Harpenden, Herts.

Where the money is going

From Mr. J. Wilkinson.

Sir, — I refer to the communication from 364 academic economists about Government economic policy. Couldn't they have tried to find another one so that we could have had one wrong academic economist for every day of the year?

Over the years we have to endure the star gazing not only of academic economists, but also of company chairmen, the CBI, the Treasury, the Bank of England, Charterhouse, etc., etc., etc. I am so tired of reading (for example) that the UK GNP will have risen by 2.312 per cent by 1990. They don't even know what the GNP was in 1980!

I prefer to take the opinion of those who put their money where their mouth is. The two main opinion polls of their views about the immediate future of the world economy show great confidence that there will be a substantial recovery in the immediate future. These two polls are the Dow Jones Index and the FT 30-Share Index, which read as follows:—

	End of month	DJ	FT
1980	March	786	427
	June	871	465
	September	932	481
	December	964	475
1981	March	1,004	528

J. Wilkinson.
8, High Piece Crescent,
Over, Cambridge.

Economic policies

From Professors G. Maynard and H. Rose.

Sir,—Neither of us was asked to sign the statement which was issued recently by 364 economists condemning present economic policy, and we would not have done so had we been asked. While sharing the concern of our university colleagues for the state of the British economy, we note the following facts.

In the 15 years prior to 1979, in which monetarist policies were not followed, employment in manufacturing fell, and total unemployment rose from 414,000 to 1.3m; final expenditure on goods and services in nominal money terms increased almost fourfold, but industrial production rose by barely 1 per cent per annum; the price level rose almost fourfold; the share of profits in the income of the manufacturing sector fell by about a half; and the rate of profit on capital in manufacturing industry fell by two-thirds in real terms, reaching the abysmally low level of around 3 per cent or 4 per cent in the mid-1970s.

These facts do not suggest to us that the lasting problems of the British economy stem from a deficiency of monetary demand, or that the present difficulties of British industry are basically due to deflationary monetarist policies on the part of the present Government.

Indeed, the underlying rate of growth of sterling M3 actually increased from 12 per cent in 1979 to about 16 per cent during 1980. If money supply has been tight in real terms, much of the explanation lies in the increase in wage rates, which at its peak exceeded 20 per cent. We find it hard to believe that the majority of economists would have wanted this increase in wages and in prices to have been accompanied by an even larger rise in money supply than that which actually occurred.

While not believing that monetarist policies alone can solve the deep-rooted problems of the British economy, we are unwilling to see the present fiscal and monetary stance discarded without knowing more in practical terms about the alternative policies which our colleagues apparently have in mind but have not actually mentioned.

What we do know of some of the possible alternatives, eg. import controls, leads us to suspect that these, too, would be opposed by a majority of economists. Other possible measures, such as incomes policies, have had no lasting success and are today being proposed in terms that assume away the very problems — union power and political consensus as to the distribution of incomes — with which they have to deal.

Above all, we should like to know which policies are being contemplated that have a greater chance of success than firm monetary restraint of dispelling the belief that excessive increases in money wages, which aggravate inflation and/or reduce industrial profitability, will in the end always be accommodated.

(Professors) G. W. Maynard.
(Chase Mahattan Bank and Reading University, and
H. B. Rose.
Barclays Bank and London Business School,
c/o 27, Sussex Place,
Regents Park, NW1.

Powerful arrows

From the Press Counsellor, Portuguese Embassy.

Sir, — The excellent dispatch (March 23) by your Lisbon correspondent, apropos of the British Trade Secretary's visit to Portugal concludes by stating that "the Portuguese would not be averse to more energetic dealings with the nation that saved them from Castillian domination in the 14th century."

If you consider that the Portuguese waged a bitter campaign against Castillian domination between 1383 and 1385, under the command of Nuno Alvares Pereira, unquestionably their greatest military leader, and that the Portuguese army of 7,000 which defeated the 17,000-man Castillian army at Aljubarrota, incorporated a token force of about 700 English archers, then the mere fact that those 10 per cent English soldiers tilted the course of Portuguese history should not be allowed to pass without comment.

R. Knopfli.
Portuguese Embassy,
12, Belgrave Square, SW1.

Commodity trading

From the Director, British Non-Ferrous Metals Federation.

Sir, — Your leader of March 25 analyses accurately the result of the encounter between the beady idealism of the UNCTAD Nairobi resolution on commodities and the reality and practicalities of commodity production, consumption and trading. Seventeen UNCTAD meetings on copper (none less than a week long) without any real progress or results, have demonstrated that commodity agreements cannot be created from rhetoric, but require a detailed consideration of the peculiar characteristics of each commodity and its trade, otherwise masked by the "integrated" approach. In the case of copper, one basic observation is that the relationship between North and South is not synonymous with that between consumers and producers.

The leader proposes that greater emphasis should be placed on the potential role of the common fund "second window." It is not, however, quite so simple as the leader implies: assuming that the common fund is actually established, the agreed principles of operation for this "window" require that measures taken must be sponsored and followed up by producers and consumers within the framework of an "international commodity body." Presumably such a body need not necessarily be a commodity agreement of the market intervention model, but can be an intergovernmental study group. Several UNCTAD participants supported this latter concept for copper, but agreement on this proved just as elusive as on anything else.

Your suggestion that tariffs against the import of processed raw materials must come down disguises what is actually happening and what is required. The EEC, unlike some industrial countries, imposes no duties on imports of copper up to the stage of refined metal, which means that copper refineries in the Community stand at no better than level terms with refineries in other countries, developing and developed, and indeed at a disadvantage compared with those countries which do apply import duties. The Community tariff on most further processed copper products is coming down by 25 per cent in accordance with the Tokyo round of GATT, while the generalised system of preferences and Lome II continue to afford to developing countries reasonable duty-free access for manufactured products, bearing in mind that the availability of indigenous raw materials is a significant advantage to many of them which we do not enjoy.

If rhetoric is being replaced by idealism, we must be sure that the realities are accurately described and understood.

S. N. Payton.
The British Non-Ferrous Metals Federation, Crest House,
7, Highfield Road, Edgbaston,
Birmingham.

No splits in this union

From the London Joint Branches Secretary, National Society of Operative Printers Graphical and Media Personnel.

Sir,—You carried an article in your issue of March 23 by your Labour Correspondent headed "Dispute over ballot in print union" which was both erroneous and mischievous and accordingly warrants correction.

Before any other misconceptions accrue let me say immediately that my general secretary has approved my seeking this redress and furthermore that this nor any matter leading to it has anything to do with the fact that the national newspaper agreement is now three months overdue.

Additionally I will not concern myself with correcting the errors of fact in your article as to the nature of the union's internal problems nor those as to the way in which those problems will doubtless be overcome.

The last two paragraphs of that article, however, dealt with the proposed amalgamation of our union with that of the Society of Graphical and Allied Trades. In that respect I am at pains to point out quite unequivocally that your suggestion that these matters (and I quote) "might lead to a split in the union with clerical and machine room workers seeking to join the NGA and the general section pursing a SOGAT merger" represents totally misinformed conjecture on your part clearly designed to seek to create confusion in our members' ranks.

As an employer of our members you really should strive for a more factual appreciation of your employees' union affairs. There exists no prospect that the machine room or any other workers will, or want to, so divide our union as you suggest. That you as an employer might wish to do so is in greater doubt. Both I, my colleagues and print workers generally welcome the various steps towards amalgamation that are now proceeding among printing trade unions as a necessary forerunner to the formation of a single union for the industry, a union which will even more ably protect, advance and represent their interests.

John Mitchell,
NATSOPA,
13, Borough Road, SE1.

Transfer tax

From Mr. A. Sutherland

Sir,—If Mr. G. W. Gardiner (March 30) will look at my letter (March 23) he will see that Capital Transfer Tax on £4m of business assets owned by husband and wife will not be the £880,000 he alleges that I calculated it at. Post-Budget, and even with only one decade's worth of exemptions, "the tax will be 26 per cent, reduced to 12 per cent by the interest free instalments." That is £480,000.

If the business is a farm, then at 2,000 acres it will be one of a handful facing a CTT rate as high as 12 per cent, since such a farm is nine times the average size. More than 99 per cent of farms will now pay less than an effective 12 per cent. Economies of scale in farming run out at not much more than 200-300 acres. Thus the equity of the tax system need not be eroded in order to perpetuate the personal ownership of farms as large as this.

In commerce or manufacturing a business with assets of £4m is also firmly beyond infancy. Many companies listed on the Stock Exchange have a capitalisation of less.

Mr. Gardiner has fun with the implications for educational charities if they too were to become subject to what is left of CTT. Alas, he leaves out the intervening stage required to bring us into line with rich family businessmen—namely the moment when the Master and, I trust, the Fellows, preferably with an asset distribution proportional to seniority, somehow become the personal owners of the college. At that point those of us who cared more for the survival of the institution than for our personal wealth would incorporate, even without charitable status; and so would ensure that our personal tax liabilities could be met by selling some of our Trinco shares to others. Mr. Gardiner's family businessmen can equally do that now.

The Chancellor's further reductions in CTT will mean that almost all personally owned businesses will have an effective tax rate of less than 12 per cent, once in a generation, that is about 0.4 per cent a year. A charge as low as this will mean that personal wealth remains distributed with extreme inequality. The Chancellor has ensured that the heir of a multi-millionaire will also be in that position, provided that father takes steps to use his wealth to buy a partnership, and a sleeping one will do, in a suitable business. Efficiency and entrepreneurship can be fostered without such inequitable results.

Alister Sutherland,
Trinity College, Cambridge.

Today's Events

GENERAL

UK: Mr. William Whitelaw, Home Secretary, visits BL Cowley.

Finance Bill published.

Mr. James Prior, Employment Secretary, speaks at Conservative Association conference, St. Albans.

Mr. Michael Heseltine, Environment Secretary, addresses local government conference, Bedford.

Mr. John Biffen, Trade Secretary, speaks at Northfield Conservative Association dinner, Birmingham.

Mr. Mark Carlisle, Education Secretary, speaks at public meeting, Kendal.

Mr Norman Fowler, Transport Minister, speaks in Liverpool.

Mr. John Moore, Energy Parliamentary Secretary, opens British Council of Maintenance Association seminar, Salford University.

Mr. Roy Hattersley, Opposition Home Affairs spokesman, speaks at Kendal Labour Party meeting.

Union of Communication Workers special delegate conference discusses changes in working practices, Bournemouth.

Overseas: Mr. Alexander Haig, U.S. Secretary of State, visits Egypt on first stage of Middle East tour.

Mr. Hans Dietrich Genscher, West German Foreign Minister, meets President Leonid Brezhnev, Moscow.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' motions.

OFFICIAL STATISTICS

Department of the Environment publishes February figures of housing starts and completions.

COMPANY MEETINGS

Allied Textile, Highburton, Huddersfield, Yorks, 11. British American and General Trust, 20 Fenchurch Street, EC, 11.30. IDG Group, Stratford-upon-Avon, Warwicks, 12.30.

Carpets Intl. £6.4m loss

WITH MOST of the loss coming in the first half, Carpets International suffered a pre-tax deficit of £6.37m for 1980, compared with a profit of £2.02m, *and with the omission of a final* dividend there is no payment for the period—last year's distribution was 2.5p.

Turnover fell by £7.59m to £114.55m.

Mr. J. M. Carpenter, chairman, expects, however, that the group will be reporting a much improved result for the current year.

He explains that most of the losses were incurred in the UK, despite profitable trading by Illingworth and Debron. A geographical analysis of the group's pre-tax figure shows: Europe £7.13m loss (£1.58m profit); America £0.5m profit (£0.89m); Asia £0.09m loss (£0.06m); and Australia £0.35m profit (£0.39m loss).

At midway, the group suffered a £5.34m turnround and plunged £4.67m into the red. The chairman now explains that trading conditions did not materially improve in the second six months. Throughout 1980 the industry was suffering the effects of deep recession, and strong action taken by Carpets involved the loss of over 1,400 jobs in the UK.

Mr. Carpenter says that successes overseas included a significant increase in profits from Carpets International-Georgia and Pacific Carpets International, Australia.

He is confident that the contribution from the overseas investments as a whole will continue to increase.

Loss per share is given as 29.6p compared with earnings of 4.5p.

On a CCA basis loss is increased to £10.84m (£3.85m loss).

Commenting on the redundancies Mr. Carpenter said later that more cutbacks were on the cards this year, but that a further "slimming down" will be done by natural wastage as much as possible.

"We have got to become highly efficient to become highly competitive," *he stated.*

Meanwhile, the group is set to possibly realise between £2m and £3m on sales of sites that have already become available as a result of major rationalisation moves.

See Lex

$25m sought by Hanson: profits rise

Hanson Trust is raising a further $25m by an issue of Guaranteed Convertible Bonds due 1996 through its wholly-owned subsidiary Hanson Overseas Finance BV. Last October Hanson raised a similar amount of bonds dated 1995.

IWth the news of the bond issue came profit figures for the first five months of the current year showing a £1.6m increase to £15.3m.

The issue will be lead managed by Credit Suisse First Boston.

The bonds will be issued in denomination of $1,000 and convertible on or after August 1, 1981 into fully paid ordinary Hanson shares.

Proceeds of the issue, the fine tuning of which will be decided immediately prior to the offering, will be employed in the long term financing of the company's activities.

Danks incurs £303,000 loss at mid-year

Turnover of Danks Gowerton for the six months to end-December, 1980, amounted to £6.74m and for the period, the group incurred a loss pre-tax of £303,568. The figures compare *with the half year to September* 30, 1979 when sales totalled £12.72m and taxable profits were £56,630.

No interim is being paid — for the previous 15 months 0.7p net *was paid but the final was* omitted.

Capital for Industry buys Erskine stake

Capital for Industry has acquired 475,000 ordinary shares in Erskine House Investments, 14.95 per cent of the equity capital. The directors of CFI say the shares were bought as a long-term investment and they do not intend to use Erskine House as a means of acquiring a Stock Exchange quotation for the capital of CFI.

Court blocks Pearson move

By David Lascelles in New York

S. Pearson and Son's attempt to raise its stake in Cedar Point of the U.S. to 25 per cent was rebuffed yesterday when four Cedar shareholders won a temporary restraining order in an Ohio court.

The order bars Pearson from buying tendered shares until April 11. The UK company was offering $34.95 for up to 519,289 shares of Cedar whose main business is amusement parks. Pearson said that just over 1m shares had been tendered by Wednesday's expiry date.

A *hearing on the plaintiff's* request for a preliminary injunction to prevent consummation of the deal has been set for April 8.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Black and Edgington	1	July 1	2.8	5	1
Bridon	1.2	May 21	2.7	3.5	5
Bruntons (Mus.) 2nd int.	5.21	April 30	4.81	9.46	8.8
Carpets Intl.	Nil	—	0.75	Nil	2.5
Carron	0.43	—	1.45*	1.28	2.3*
C. of Lon. Brwy. 3rd int.	1.1	May 29	0.88	—	4.2
Desoutter Bros.	3	May 24	4.5	5.7	7.2
Danks Gowerton ... int.	Nil	—	0.7	—	0.7‡
Grampian Hldgs.	3	—	3	4.5	4.5
House of Lerose	4	June 8	3.43	6	5.26
JB Holdings	1.5	July 6	1.5	3	3
Ladbroke Group	6.96	—	6.05	13.51	11.75
LWT (Hldgs.) ... int.	4.09	—	4.09	—	10.07
Magnolia	1.5	May 22	1.5	2.1	2.1
Wm. Morrison	1.8	May 29	1.5	2.5	2.2
Parambe	0.4	—	0.5	0.6	0.5
Queens Moat	0.55	May 29	0.38	1.1	0.75
Austin Reed	2.46	July 1	2.46	3.36	3.36
Thurgar Bardex	0.6	May 7	0.6	0.9	0.9

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital *increased by rights and/or acquisition issues.* ‡ For 15-month period.

GT sets up new investment trust

THE recent fashion for specialist investment trusts continued yesterday with the announcement of a new £10m company GT Global Recovery Investment Trust. Underwriting has been completed for the issue of 10m ordinary shares of £1 each at a price of 100p per share.

The company already has substantial backing and the directors say there are already firm applications for 7.5m shares, which will be allotted in full. GT *Management* will *manage* the portfolio.

GT Global Recovery Investment Trust (GRIT) will invest in a worldwide portfolio of securities selected for their *recovery potential.* Investment will be made, says the prospectus, "in securities the market prices of which are considered to be unreasonably depressed in the light of GT's assessment of the underlying strengths of the companies involved.

"GT will primarily seek to identify management which has an ability to generate significantly higher earnings in an improving economic climate."

Like Child Health Research Investment Trust, a company recently floated and managed by GT, and as with most split capital investment trusts, GRIT will have a limited life.

Under the articles of association the directors are required to convene an extraordinary *general meeting in March, 1988,* at which a resolution will be proposed to wind-up the company. Shareholders shall be bound to vote in favour. In addition the articles require annual EGMs for considering a winding-up resolution.

The policy of the directors will be to provide shareholders with capital growth and a reasonable level of income. The starting yield will be 5 per cent.

Mr. Richard Thornton, a director of G.T. Management, said yesterday that about £2m of shares in the new trust will be subscribed by French investors. The board of GRIT, he pointed out, includes Alain Lefebvre, managing director of Banque de Gestion Privee and Jean-Loup Chênut, investment manager of Assurances du Groupe de Paris.

● comment

G.T. Global Recovery Investment Trust (GRIT) is the latest new vehicle to add a bit of spice to the lives of fund managers. Whereas oil technology and the Far East — raising some £30m-£40m in the past few months — *have been the recent attractions* GT at this stage in the cycle has decided to cash in on the vogue for recovery. The company has been careful not to commit itself to any specific initial portfolio spread but it is clear that the UK is currently a firm favourite and more than 30 per cent will be banking on the success of the Thatcher revolution. GT's other investment trusts have done well in the past five years — and not just in the Far East where GT started more than 10 years ago. Investors may wonder, however, whether *the company's avowed policy is* all that special. Identifying securities "considered to be unreasonably depressed" should surely be the unstated aim of all good investment managers.

Newey Group £104,000 in the red at year-end

After reporting a bigger loss at midyear of £65,000, compared with £42,000, Newey Group, the *Birmingham smallware manufac*turer, finished 1980 with a taxable loss of £104,292, against a profit of £243,170. Sales for the year remained virtually static, rising from £15.27m to £15.66m. There is again no dividend.

The loss was struck after exceptional credits of £67,263 (£220,093) and interest charges £36,488 higher at £539,647.

Tax tok £69,609 (£27,283) and minorities £9,898 (nil). After an extraordinary credit of £135,488 (£71,671 debit) loss retained was £??,311 (£130,216 surplus).

Commenting on the results the directors say that the overseas *companies whose results are in*cluded for a 15-month period, showed a considerably improved result. However, the improvement shown in 1979 by Newey Goodman, the UK subsidiary, was sharply reversed by the general fall in demand in the home market and by reduced margins on exports resulting from the increased strength of sterling. Extraordinary profits were made on the sale of land in Australia and the redemption of debentures.

Andersons' Rubber share suspension

Shares of Andersons' Rubber Company, the protective clothing manufacturer and distributor, were suspended yesterday at the company's request pending an announcement. The suspension price was 27p which placed a value on the group of £324,000.

The company declined to explain the background to the suspension but an announcement could be made by the middle of next week.

Sales of the group for the six months ending July 31, 1980, were £1.7m compared with £2m. The group reported a pre-tax loss of £205,000 compared with a profit of £53,600.

Bridon progresses after releasing Ashlow burden

WITH the closure of loss-maker Ashlow Steel and Engineering Company, Bridon reports an increase from £3.59m to £5.81m in pre-tax profits for the year to end-December, 1980. Turnover was down from £295.89m to £278.12m.

Profits for 1979, excluding Ashlow, were £15.4m, but Ashlow incurred a loss of £11.81m, leaving the figure of £3.59m.

The final dividend is cut from 2.7p to 1.2p for a total of 3.5p (5p). But earnings per 25p share increased from 5.75p to 8.52p.

In view of the present state of world trade, particularly in the UK, the board says it is not possible to predict the course of the company's business with any degree of certainty.

Encouraged by the performance across the wide spread of operations outside the UK in 1980—Bridon manufactures wire, wire rope, fibre and plastic products and has engineering interets—the board has some confidence in prospects overseas compared with the second half last year. It says, however, that the outcome is obviously dependent on the trend of world trade.

In the UK, the board is hopeful that as a result of the major rationalisation which has taken place, the group will achieve a rate of profitability at least offsetting the effect of poor trading conditions, which at present appear to be less favourable than in 1980.

Trading profit for the year, excluding Ashlow, was down from £8.99m to £6.44m. Generally good performances overseas were offset by UK results affected by the British steel strike and the depressed level of the economy. Overseas profits were reduced in total from £14m to £12m, reflecting the effect of the disposal of the shareholding in Haggie from May 1980 onwards.

But the comparison excluding Haggie shows an improvement of £1m.

The receipt of the Haggie sale proceeds has substantially strengthened the balance sheet, giving current benefit of interest saving greater than the level of the last dividend income.

As reported at the time of the interim statement, additional expenses and provisions of £2.6m were necessary in respect of the closure of Ashlow. At December 31, the figure was £2.8m with the difference attributed to exchange differences.

This figure has been included in extraordinary items, which total £3.04m (£6.23m). The profit of £5.5m over carrying value on the sale of Haggie and associated tax charges has also been taken as an extraordinary item, as well as the costs of the substantial rationalisation of UK production facilities.

The pre-tax figure was struck after interest charges slightly lower at £6.37m (£6.5m) and the addition of associates share of £5.74m (£12.9m).

Tax took £1.74m (£1.05m) and there was a release on charge in basis of stock relief of £612,000 (nil). There was a minorities debit of £35,000 (credit £600,000), leaving attributable profits of £1.61m (loss £3.1m).

After current cost adjustments, the pre-tax surplus was turned into a loss of £2m (£8.5m).

● comment

Bridon's UK earnings have disappeared in 1980 (a profit on wire rope being offset by losses elsewhere), and the final dividend has been cut for the second year running—the dividend is now a costly item, since ACT must be written off. The associate profits include £3.3m from Haggie, now sold, but this year there will be *interest saving* to make up for the absence of Haggie's dividend—not Bridon's share of its profits, though—and net debt has been held to around a quarter of shareholders' funds. Worthwhile recovery is unlikely before 1982, however, and the yield of just under 9 per cent on the shares at 57p may not be enough support in the short term.

Falmouth places only 2m shares

The waning enthusiasm of the London market for speculative North American oil companies was again allustrated yesterday when **Falmouth Petroleum**, a Canadian company which was hoping to sell "up to 3m common shares," revealed that it had only placed 2m shares at $2 each.

This number of shares amounted to the minimum stockbrokers Laurence-Prust and Vivian Gray were willing to proceed with in order to make the venture viable. The gross proceeds are £1.8m.

At Laurence Prust, Mr. Bill Stuttaford, a senior partner, said he was "very pleased with the issue." But he added: "The market isn't exactly ripe for these things. The institutions in London are pretty well saturated."

Mr. Stuttaford said the institutions "liked the terms of the offer" but had already purchased enough North American oil exploration shares. An offering of common shares will be made to Canadian investors within 90 days.

Dealings commenced yesterday on the Vancouver Stock *Exchange and in London under* Rule 163(le), the provision for foreign quoted shares.

ROSEHAUGH

Rosehaugh has contracted to purchase a further 24.9 per cent of the capital of its subsidiary Tolverne Investment for a consideration of £585,000. This will increase Rosehaugh's holding in Tolverne to 77 per cent.

The total consideration will be satisfied by means of a vendor placing of 183,598 new ordinary shares.

Thermal Syndicate plans £1.38m rights issue

THERMAL SYNDICATE, the specialised high temperature materials group, is proposing to raise £1.38m through a one-for-three rights issue at 82p.

Two of its principal shareholders, Kleinwort Benson Investment Trust and Britannic Assurance, have irrevocably undertaken to take up their entitlements in respect of 29.85 per cent of the issue.

The remainder has been underwritten by Kleinwort Benson and the brokers are W. Greenwell and Foster, Braithwaite.

The group pinpoints its expansion in fibre optics, microelectronics and new high temperature derived products as the principal reason for the cash call.

The development of the Georgetown facility in Delaware and the Refractory Welding and Fabrication acquisition in Houston, for instance, will require higher inventories, new equipment and new sales outlets.

But the board, headed by Mr. J. E. Bywater, says that the warnings it gave when announcing broadly unchanged annual pre-tax profits of £1.4m in February still very much apply.

Economic conditions have deteriorated in the current financial year but the group is expanding the scale of the research and development programmes vital to its future.

The level of orders has fallen this year and this will be reflected in lower trading levels. But the directors say that planned action should ensure that when the industry *recovers* from the present recession, the group will be soundly based for expansion.

It is anticipated that the gross total dividend for the year to October 31 will be maintained at 10p per share on the enlarged share capital.

● comment

THERMAL is asking shareholders to put up slightly more than it earned before tax last year and probably rather more than it is going to make this *time. But for all the caveats* about short term prospects, the market is obviously in the right frame of mind to absorb new technology stocks and particularly those able to throw in more than nominal income. At an ex-rights price of 95½ after a 4p fall to 100p yesterday, Thermal is offering 10½ per cent prospectively having pitched the terms at a discount of just over a fifth to the overnight price. Despite the commitments to expansion in the U.S., there is more than a hint that the group is keeping the powder on a lightly *geared last balance sheet dry for* the opportunities it is confidently expecting to develop.

MARSH & McLENNAN

The offer by Marsh and McLennan Companies Inc. for holdings of 15 or fewer shares of common stock closed on March 31. The offer price, calculated as the average of the closing selling prices on the three days ending March 31, and converted into sterling at the noon buying rate for sterling on that day, was £16.98 per share. UK accept*ances totalled 1,349, representing* 9,718 shares.

Ladbroke Group profits finish year at £32.6m

REFLECTING the discontinuation of most of the casino and lottery operations, taxable profits of Ladbroke Group finished 1980 at £32.6m, compared with £49.2m, on turnover up from £579m to £665m.

Excluding results of these operations, the pre-tax figure was £30.4m, some 23 per cent higher than the previous year—turnover was £652m.

At the interim stage profits had *slipped from £16.7m to £14.07m.*

Year-end earnings per share are shown down at 46p (53p) but the dividend is stepped up to *13.5125p (11.75p) net with a final* payment of 6.9575p. Also proposed is a one-for-one scrip issue.

A breakdown of pre-tax profits shows hotels, holidays, taverns and machine hire £10.3m (£7.3m); property (net of interest) £4.5m (£3.1m); betting and racecourse management £14.8m (£11.5m); social clubs £1.8m (same); and retail hi-fi £0.8m (£0.4m). An allocation of £0.4m was made to employees' share scheme.

Mr. Cyril Stein, chairman and managing director, says that the divisions traded exceptionally well, in a recessionary year, and the mix of quality assets and strong cashflow operations "gives us confidence to predict even stronger growth in the future."

Pre-tax profit for 1980 — adjusted to £30m on a CCA basis —was struck after interest of £2.2m (£0.1m) and subject to tax, much lower at £4.5m against £18.6m.

After minority interests of £1m (£0.1m), pre-acquisition profits of £0.3m (nil) and an extraordinary credit of £7.8m (£3.8m debit), the attributable balance came through ahead from £26.7m to £34.6m. The extraordinary items are due principally to surpluses on the disposal of casinos and the Belgravia Hotel.

During the year the group invested £38.3m in capital projects and acquisitions. Net assets at December 30, totalled £146m, an increase of £17.5m on 1979.

See Lex

Carron £1m in the red

IN 1980 Carron Company (Holdings) plunged from a pre-tax profit of £1.61m to a loss of *£1.06m, on turnover down from* £38.41m to £37.43m.

At the half year this manufacturer of metal, plastic, ceramic and general engineering products produced a pre-tax profit of £67,000 (£860,000) on turnover of £20.1m (£18.1m).

The directors are recommending a final dividend of 0.425p net (1.45p) per 25p share making a total for the year of *1.275p (2.3p). The stated loss per* share emerged at 6.67p compared with earnings last time of 8.58p.

Tax took for the year £60,000 (£165,000) and extraordinary items charged were £204,000 (nil).

On a current cost basis the pre-tax loss came out at £1.4m.

SPAIN

April 2	Price %	+ or −
Banco Bilbao	296	−2
Banco Central	337	−3
Banco Exterior	265	−4
Banco Hispano	292	−3
Banco Ind. Cat.	128	−1
Banco Santander	321	−6
Banco Urquijo	783	−1
Banco Vizcaya	316	−3
Banco Zaragoza	227	−3
Dragados	142	−3
Espanola Zinc	75	—
Fecsa	58.5	—
Gal. Preciados	30.5	−0.2
Hidrola	63	−1.2
Iberduero	53	—
Petroleos	93	−2
Petroliber	70	—
Sogefisa	85	—
Telefonica	61	—
Union Elect.	62.7	−0.8

Wm. Morrison sharply higher

On sales some 28 per cent higher at £171m, compared with £133.94m, taxable profits of Wm. Morrison Supermarkets improved sharply from £4.6m to £5.98m for the year ended January 31, 1981 — a rise of 32.7 per cent. At the midway stage, profits pre-tax were marginally ahead at £2.02m (£1.92m).

For the current year the directors say that sales for the first two months are exceeding budget and continue to indicate increasing volume.

They are raising the final dividend to 1.8p (1.5p) which brings the total up to 2.5p net, compared with 2.2p. A scrip issue on a one-for-one basis is also proposed.

The pre-tax surplus for the year was struck after rent receivable of £337,000 (£287,000) and interest charges of £483,000 (£309,000).

Tax took £716,000 (£245,000 credit), after which stated earnings per 10p share emerged at 22.77p (20.97p).

Current cost accounting reduces the taxable profit to £5.59m (£4.03m).

The directors are proposing a share option scheme for senior executives. To implement the scrip issue and to effect the option scheme it will be necessary to increase the authorised share capital and they therefore intend to make appropriate recommendations to shareholders at an EGM immediately following the annual meeting.

● comment

Wm. Morrison shares soared to 266p, a 14 per cent rise, after an exceptionally good set of figures which prove there is still money to be made from supermarkets. The figures stand out thanks to a combination of rising volume, reduced labour and overhead costs and perhaps, most surprising, a lower interest bill in the second half. New stores apart Morrison has managed to squeeze a 9 per cent extra volume from existing stores. Further new outlets are planned including its first shop in Derbyshire. Morrison admits to meanness on the dividend front—the shares yield a mere 1.3 per cent—but says with capital expenditure of £5m slated for next year the reserves will be put to good use. The year has started well with sales so far 22 per cent higher and *full-year* earnings in the region of £7.5m are in sight. This puts the shares, which stand at 166p above net asset value, on a prospective earnings multiple of nearly 17.

First half downturn at LWT

Mr. John Freeman, chairman of LWT (Holdings), ITV programme contractor, book publisher and tour operator, says that group profits for the first half of the year were disappointing.

For the six months ended January 25, 1981, taxable profits were down from £1.98m to £1.36m, after Exchequer Levy of £1.21m (£2.04m).

He adds, however, that the second half is likely to show an improvement—profit for the whole of last year dropped from £6.92m to £3.06m.

In the case of the television company, Mr. Freeman says that profits were usefully higher, but he points out that figures for the January, 1980, six months were severely damaged by the 11-week industrial dispute.

After tax of £709,000 against £1.03m, and minority interests £130,000 (£137,000), the attributable balance was £524,000 compared with £811,000, of which the interim dividend, unchanged at 4.0856p net, will absorb £667,000 (£660,000).

Trading results from Hutchinson continue to reflect the depressed state of the publishing industry generally, the chairman says, but despite more difficult trading conditions in the travel industry, profits from Page and Moy were at a similar level to last time.

Dividend cut at Desoutter

A SECOND-HALF slide from £1.88m to £1.09m has left taxable profits of Desoutter Brothers (Holdings) behind from £3.82m to £2.57m for 1980, and the dividend is cut by 1.5p to 5.7p with a final payment of 3p net per share. Turnover improved slightly to £23.32m against £22.45m.

Mr. R. C. Desoutter, chairman of this pneumatic power tool manufacturer, says the trading performance for the first and second halves showed substantially different results, "and shareholders are probably concerned about the possibility of the relatively poor performance in the second half continuing into 1981."

He says that the difficult trading conditions are continuing, although there are some signs of an improvement in the level of orders.

The company should maintain a more even level of profit in the current year, he states, which in total could be similar to that for 1980.

Pre-tax figure was struck after interest, up from £144,000 to £409,000, and subject to tax of £1.23m against £1.45m—there was a £700,000 release arising from stock relief. Earnings per share are 13.5p compared with 24.63p.

On a CCA basis the historic taxable surplus is reduced to £989,000.

● comment

The market knocked 8p off Desoutter's share price yesterday, bringing it down to 108p, but this was more a function of the 21 per cent dividend cut than the 32.7 per cent pre-tax decline. Despite its wide range of customers and specialty pneumatic power tool business, Desoutter faced a harsh second half. Profits fell 71 per cent to around £1m in the latter half because of a low level of orders and the costs of starting up a new French subsidiary. The French venture, combined with currency losses in the second half, cost around £½m in forfeited profits. Borrowings were up to £4m at year-end, against £1.2m a year ago, but gearing remains below 30 per cent. The balance sheet is strong and Desoutter will almost certainly repeat its 1980 profits this year, looking to 1982 for the main pick-up. The yield is now 7.8 per cent and the earnings multiple as stated comes to 7.8—a reasonable rating.

96.8% ACCEPT EUROPCAR DEAL

The offer made by Samuel Montagu and Co. on behalf of BV Ravero-Autoverhuur, a wholly-owned subsidiary of Compagnie Internationale Europcar, to acquire the share capital of the holding company for the short term and chauffeur driven car hire interests previously held within the Godfrey Davis group, has become unconditional. Acceptances have been received in respect of 365,682,300 shares (96.8 per cent).

J. B. Hldgs. profits jump £1m

TAXABLE profits of J.B. Holdings, construction and mechanical engineer, jumped by £1m to £2.72m in 1980, on sales up from £30.57m to £41.01m.

The writeback of £2.56m deferred tax no longer required results in a tax credit of £1.53m against a charge of £872,000 and, after an extraordinary credit of £170,000 (£49,000 debit), the retained surplus comes through at £4.02m (£405,000).

Earnings per 10p share, before the tax credit and extraordinary items, are shown as 15.89p (7.54p) and the dividend is maintained at 3p net with a final of 1.5p.

A revaluation of UK properties at the year-end has thrown up a surplus over book value of £1.22m.

Agreement on Throgmorton management

An agreement on future management of The Throgmorton Trust, The Throgmorton Secured Growth Trust and The New Throgmorton Trust has been signed by Throgmorton Trusts and the Charterhouse Group.

Under the terms of the agreement a new management company, Throgmorton Investment Management, has been formed. The equity of the new company is owned 50 per cent by the trusts and 50 per cent by Charterhouse.

Confidence saved Hoover dividend

SHORT-TIME working and redundancies, currency translation losses, and the high value of sterling cost Hoover, the domestic appliance manufacturer, in excess of £7m shareholders were told at yesterday's annual general meeting.

"These charges contributed to our first loss ever before taxation of £2.75m," said Mr. M. R. Rawson, group chairman.

He continued: "With losses of this magnitude your board seriously considered eliminating the final dividend. However, because the directors have complete confidence in the future, it was decided that despite the temporary setback, a dividend would be paid."

Continued investment in the group's manufacturing facilities, he said, coupled with total rationalisation, has reduced the space that Hoover uses for production by 600,000 sq ft. This reduction reflects the closure of various peripheral factories, such as Carfin, Hamilton, Dowlais and Northolt.

"It is a process which has been carefully planned and it has been achieved without loss of production capacity," he said.

In the high streets agressive price cutting by Hoover's competitors made it impossible for the group to raise prices. "In fact, we were supplying dealers during December 1980 at the same price as we were in January 1980."

A major proportion of Hoover products sold on the Continent are made in Hoover's UK factories. "A very significant improvement in our productivity in no way matched the rate of inflation and the rise in the value of the pound.

"The landed costs of our exports sent to Europe were effectively increased by a staggering 29 per cent in 1980," said Mr. Rawson.

"We continue to improve productivity and reduce the number of people employed. As you will know, we announced redundancies of 900 people earlier this year and most have now left the company on a voluntary basis. The cost of our redundancy programme will incur one-off costs, but in the long term will bring a substantial benefit."

Hoover is making a significant investment in Dijon to produce completely new cleaners aimed at the Continental market.

"Our entry into home fire protection with the introduction of 'Firecheck' has shown outstanding promise. This year will see further entries into the home protection business. This is one of the biggest growth sectors in the UK," Mr. Rawson said.

On future trends Mr. Rawson said that "market conditions are still difficult both here and overseas and improvement in the short term remains doubtful." But once the present recession ends, "we will be well placed to take full advantage."

Investment income aids Brunton's 8.7% increase

HELPED BY an increase of almost 90 per cent in income from investments, pre-tax profits of Bruntons (Musselburgh), Scottish-based steel wire manufacturer, rose by 8.7 per cent from £1.52m to £1.65m for 1980.

Reduced order intake, however, caused short-time working in the later months of the year and has continued in the first quarter of 1981. This will necessitate about one-tenth of the workforce being made redundant in the second quarter, says Mr. A. S. Wood, the chairman.

A provision of £50,000 has been made to cover the estimated cost of these redundancies.

As a result of a satisfactory first half, sales by value for the full year rose by 5 per cent from home market's share improving from £9.96m to £10.68m. Exports were down from £1.15m to £982,688. Trading profits edged ahead to £1.45m (£1.41m) after depreciation up from £182,557 to £195,685 and staff pension premium of £94,174 (£29,631).

After interest on investments totalling £199,380 (£105,306) and tax up from £460,898 to £583,279, net profits came out at £1.07m (£1.06m).

Stated earnings per 25p share are 13.62p (13.41p) and the second interim dividend is 5.21p (4.81p) for a total of 9.46p (8.6p). Dividends absorb £806,800 (£688,000) leaving retained profits down from £384,828 to £282,554.

Capital expenditure for the year amounted to £413,000, making the total capital investment over the last six years £2.75m, but equipment ordered for payment in 1981 amounted to only £20,000, with a further £145,000 becoming due for payment in February 1982.

Mr. Wood warns that unless the exchange value of sterling comes down further, EEC steel producers and processors bring prices into line with those of the U.S. and Japan, or there is an upturn in the engineering industry, the current year will be difficult for the company.

But he says the new stock relief rules currently before Parliament would release £410,560.

Part or all of this would be used, if necessary, to maintain the interim dividend.

IBM UK profits slip £9m to £153m in 1980

DECLINING profits and margins left IBM United Kingdom Holdings with a taxable surplus of £153m for 1980, down from £162m in the previous year. Turnover rose to £954m against £880m.

Mr. E. R. Nixon, chairman of the group—a wholly-owned subsidiary of the U.S. telecommunications and computer company—says business in the current year will again be affected by the performance of the UK economy. But he expects the use of information processing equipment to continue to spread in industry, commerce and government and says the group will be well placed to meet this demand.

The improved turnover comprised sales and rentals to UK customers up from £449m to £502m and exports of goods and services of £452m against £431m.

Tax charges were £2m higher at £62m, leaving net profits of £91m (£102m).

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	F.500	95	38.50	12	66	6	83	F.520.50
GOLD C	F.525	96	23	94	47	4	67	"
GOLD C	F.550	83	12.50	99	33A	—	—	"
GOLD P	F.500	53	14	5	26	9	38	"
GOLD P	F.525	4	25	4	35	1	42	"
GOLD P	F.550	2	40.50A	—	—	—	—	"
		June		Sept.		Dec.		
GM C	$50	15	5 1/8	—	—	—	—	$54 3/8
		April		July		Oct.		
ABN C	F.280	30	12.50	—	—	—	—	F.291
ABN C	F.300	108	3.20	9	7	—	—	"
ABN C	F.320	20	0.30	—	—	—	—	
AKZO C	F.15	5	8B	24	8.50	—	—	F.23.50
AKZO C	F.17.50	17	5.80	15	6	11	6.60	"
AKZO C	F.20	300	3.40	295	3.60	4	4.20A	"
AKZO C	F.22.50	205	1.30	312	2.10	144	2.80	"
AKZO C	F.25	115	0.40	—	—	—	—	"
AKZO P	F.20	—	—	5	0.40	2	1.20	"
AKZO P	F.22.50	5	0.60	37	0.80	—	—	"
AMRO C	F.55	1	1.50B	1	3.30	1	4	F.56
AMRO C	F.60	4	0.40	—	—	—	—	"
KODA C	$70	1	12 7/8	—	—	—	—	$83 1/8
KODA C	$80	15	3 7/8	4	8 1/8	1	10 1/4	"
HEIN C	F.55	33	4	—	—	—	—	F.58.70
HEIN C	F.60	6	1.10	26	2.70	7	3.40A	"
HEIN P	F.55	—	—	15	1.50	—	—	"
HOOG C	F.12.50	20	7.80	—	—	—	—	F.19.90
HOOG C	F.15	20	5	—	—	—	—	"
HOOG C	F.17.50	12	2.80A	8	3.30	1	4	"
HOOG C	F.20	65	1.30	—	—	6	2.60	"
IBM C	$60	—	—	4	6 3/8	—	—	$63 5/16
IBM C	$65	—	—	—	—	1	5	"
IBM C	$70	—	—	—	—	7	3 1/8	"
KLM C	F.65	4	30.10	—	—	—	—	F.95.50
KLM C	F.70	12	25.50 B	—	—	—	—	"
KLM C	F.80	5	15.50 B	2	16.50	—	—	"
KLM C	F.90	2	8.50 B	12	13	—	—	"
KLM C	F.100	71	3	95	8.30	—	—	"
KLM C	F.110	17	1	31	3.80	3	6.50	"
KLM P	F.90	20	2	7	6.70	1	9	"
KLM P	F.100	2	8.50 A	30	11	5	13	"
NATN C	F.120	7	4.50	—	—	6	8.50	F.122.80
NATN C	F.125	—	—	—	—	1	5.30	"
NATN C	F.130	—	—	—	—	15	3.40	"
NATN P	F.120	—	—	1	2	—	—	"
PETR C	Fr.5500	2	20	—	—	—	—	Fr.4810
PHIL C	F.15	19	5.60	34	5.50	—	—	F.20.40
PHIL C	F.17.50	169	3	56	3.30	108	3.60	"
PHIL C	F.20	263	0.80	160	1.50	291	1.90	"
PHIL P	F.17.50	—	—	51	0.30	—	—	"
PHIL P	F.20	1	0.60	46	1.10	66	1.20	"
POLA C	$30	—	—	—	—	1	4	$29 1/8
RD C	F.85	35	7.50 B	—	—	—	—	F.92.60
RD C	F.90	65	4.50	78	6 B	—	—	"
RD C	F.95	117	1.60	152	3.50 B	—	—	"
RD C	F.100	365	0.60	125	2.50	45	5	"
RD C	F.110	40	0.10	132	0.90	49	2.50	"
RD C	F.120	136	0.10	8	0.30	—	—	"
RD P	F.85	95	0.30	—	—	—	—	"
RD P	F.90	550	1	61	3.50	25	5.30	"
RD P	F.95	379	3.50	99	6.50	—	—	"
RD P	F.100	87	7.60 A	114	10.50	2	13	"
UNIL C	F.125	5	15.50 A	—	—	—	—	F.140
UNIL C	F.130	27	10.50	6	11	—	—	"
UNIL P	F.135	1	6.50 A	24	6.70	6	8	"
UNIL P	F.185	—	—	5	4.10	—	—	"
XERO C	$60	5	1 1/8	1	4 1/4	—	—	$59
		May		Aug.		Nov.		
BOEI P	$40	9	8	—	—	—	—	$35 5/8
BASF C	DM.130	—	—	4	6	15	5	DM155.40
BASF C	DM.140	—	—	—	—	—	—	"
MANN C	DM.130	—	—	20	5.80	—	—	DM151.38
SLUM C	$100	27	6	—	—	4	8 1/4	$101 1/2
SLUM C	$110	2	2	—	—	—	—	"
VEBA C	DM.130	5	6	70	8	—	—	DM 138
VW C	DM.170	2	0.50	—	—	—	—	DM 182

TOTAL VOLUME IN CONTRACTS 7138

A=Asked B=Bid C=Call P=Put

A copy of this Prospectus, having attached thereto the written consent of Robson Rhodes and copies of the contracts listed below under the heading "Contracts", has been delivered to the Registrar of Companies for registration.

This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to G.T. Global Recovery Investment Trust P.L.C. ("the Company"). The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

Application has been made to the Council of The Stock Exchange for the Ordinary Shares of £1 each in the Company to be admitted to the Official List.

The Subscription Lists for the Ordinary Shares now being offered will open at 10 a.m. on Thursday, 9th April, 1981 and may be closed at any time thereafter.

The Company has no loan capital (including term loans) outstanding or created but unissued, no mortgages or charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

G.T. Global Recovery Investment Trust P.L.C.

(incorporated in England and Wales under the Companies Acts 1948 to 1980 with registered number 1550619)

Share Capital

Authorised		Issued and now being issued fully paid
£13,000,000	13,000,000 in Ordinary Shares of £1 each	£10,000,000

This Prospectus is published in connection with the

Issue to the Public

of 10,000,000 Ordinary Shares of £1 each at £1 per share payable in full on application

The Directors are aware that applications will be made for 7,500,000 Ordinary Shares which will be allotted in full.

The Company

G.T. Global Recovery Investment Trust P.L.C. is an investment trust company, the objective of which is to provide investors with an opportunity to participate indirectly in a portfolio of securities selected worldwide by G.T. Management Limited ("G.T.") for their recovery potential.

The Company has been established by G.T. which will act as its manager.

Investment Policy

It is the policy of the Directors of the Company that investment should be made by the Company in securities the market prices of which are considered to be unreasonably depressed in the light of G.T.'s assessment of the underlying strengths of the companies involved. In implementing such policy G.T. will have particular regard to companies whose strengths have been obscured by factors which it considers to be short term. G.T. will primarily seek to identify management which has an ability to generate significantly higher earnings in an improving economic climate.

There will be no geographical restriction on the investments to be made by the Company nor will there be any such restriction by reference to the industrial classification of such investments. It is, however, the policy of the Directors that a degree of international diversification should generally be maintained.

In managing the investments of the Company, G.T. will be free to take such steps as it considers appropriate to protect the Company from the consequences of any likely weakness in a currency in which investments held by the Company are denominated.

It is the policy of the Directors that the assets of the Company should be substantially fully invested in securities but general market conditions may make it advisable from time to time for the Company to maintain a high level of liquidity.

Although it is the policy of the Directors that investments should be selected for their long-term or medium-term potential, the Directors intend to form a subsidiary company which will carry on business as a securities dealing company for the purpose of taking advantage of short-term opportunities that may arise.

The Directors have power to make borrowings on behalf of the Company but it is not the present intention of the Directors that borrowings should be made other than for short-term purposes.

It is the intention of the Directors to ensure that the Company will satisfy the conditions for approval as an investment trust laid down in Section 359 of the Income and Corporation Taxes Act 1970 (as amended) and as an investment company laid down in Section 41 of the Companies Act 1980.

The Articles of Association of the Company do not limit the discretion of the Directors as regards investment policy; in order to comply with the requirements of The Stock Exchange, however, the Directors intend to ensure that:—

(i) not more than 10 per cent. of the assets of the Company or, if the Company has any subsidiaries, of the Company and its subsidiaries ("the Group") (before deducting borrowed money) will be lent to, or invested in the securities of, any one company (other than those of a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed) including loans to or shares in any subsidiary of the Company; and

(ii) not more than 15 per cent. of the assets of the Company or, if the Company has subsidiaries, of the Group (before deducting borrowed money) will be invested in (a) securities not listed on any recognised stock exchange (for which purpose securtities dealt in "over-the-counter" in the United States of America and Canada will be treated as listed securities), or (b) holdings in which the interests of the Company and any subsidiary of the Company exceed 20 per cent. of the aggregate of the equity capital (including any capital having an element of equity) of any one listed company (other than a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed).

The distribution by way of dividend of surpluses arising from the realisation of investments is prohibited by the Articles of Association of the Company.

Dividend Policy

The policy of the Directors will be to provide shareholders with capital growth and a reasonable level of income. It is the intention of the Directors that the investment portfolio of the Company will be managed so as to produce, in respect of the first accounting period of the Company, a gross yield equivalent to 5 per cent. of the net proceeds of the issue.

Duration of the Company

Under the Articles of Association of the Company the Directors are required to convene an extraordinary general meeting of the Company in March 1988 at which a resolution will be proposed to wind up the Company; the Articles of Association provide that shareholders shall be bound to vote in favour of that resolution. In addition the Articles of Association require the Directors of the Company to convene annually an extraordinary general meeting for the purpose of considering a resolution to wind up the Company unless at the annual general meeting of the Company held in such year a resolution was passed releasing the Directors from such obligation.

Management

The Company will be managed by G.T.

G.T. was established in London in 1969 and is the parent company of an international investment management group. The group has offices in Hong Kong and San Francisco and, in addition to the directors of G.T., employs some 16 investment managers, out of a total staff of 125, distributed among these offices and the group's headquarters in London. Companies within the G.T. group manage, or advise on, the investment of assets which are currently valued at approximately £650 million. Clients include private investors, pension funds and other financial institutions in the United Kingdom, the United States of America, Canada and Hong Kong. G.T. is a private company owned by certain of its directors and their families and by The Berry Trust Company Limited and The Northern Securities Trust, Limited, United Kingdom listed investment trust companies both of which are managed by G.T.

Accounts and Auditor's Report

The first accounts of the Company will be for the period from the date of incorporation to 31st March, 1982, inclusive.

The following is the text of a report received by the Directors from Robson Rhodes, Chartered Accountants, the auditors of the Company:—

The Directors, 186, City Road, London EC1V 2NU
G.T. Global Recovery Investment Trust P.L.C. 1st April, 1981

Gentlemen,

We report that your Company was incorporated on 12th March, 1981. No accounts have been made up, no dividends have been declared or paid, nor has your Company commenced business.

Yours faithfully,
ROBSON RHODES Chartered Accountants

Taxation

The Directors intend (as stated above) to ensure that the Company satisfies the conditions for approval as an investment trust laid down in Section 359 of the Income and Corporation Taxes Act 1970 (as amended) and intend to apply to the Inland Revenue for such approval. If such approval is granted the Company will, as a result of the provisions of the Finance Act 1980 be exempt from corporation tax on its capital gains.

The income of the Company (including income arising outside the United Kingdom) will be subject to corporation tax in the normal way; income arising outside the United Kingdom may in addition be subject to withholding taxes at varying rates but double taxation relief will generally be available.

The Directors consider that the Company is unlikely to be a close company immediately following the completion of the issue now being made.

Shareholders in the Company may be liable to United Kingdom capital gains tax on chargeable gains arising from the disposal of their shares in the Company and will not be entitled to any tax credit in respect of any gains realised by the Company.

Directors

WILLIAM THOMAS JACKSON GRIFFIN (Chairman)
Park House, 16 Finsbury Circus, London EC2M 7DJ
Director and shareholder of G.T. Management Limited and Chairman of G.T. Japan Investment Trust Limited

RICHARD CHICHELEY THORNTON
Park House, 16 Finsbury Circus, London EC2M 7DJ
Director and shareholder of G.T. Management Limited and Chairman of G.T. Management (Asia) Limited

PETER GEORGE GLOSSOP
Park House, 16 Finsbury Circus, London EC2M 7DJ
Director and shareholder of G.T. Management Limited and Director of The Northern Securities Trust, Limited

ALAN SMITH, C.B.E., D.F.C.,
Ardgairney House, Cleish By Kinross, KY13 7LG
Chairman and Chief Executive of Dawson International Limited

ALAIN LEFEBVRE
11 rue Windsor, Neuilly sur Seine, France
Managing Director of Banque de Gestion Privée, Vice President of Corail S.I.C.A.V. and Director of Eureka S.I.C.A.V.

NATHANIEL SOLOMON
Phonographic House, The Vale, London NW11 8SU
Group Managing Director of Associated Leisure Limited

DENNIS THOMAS HOLME NICHOLSON, M.B.E.,
16 St. Martin's-le-Grand, London EC1A 4EP
Chartered Accountant and Director of The Berry Trust Company Limited

JEAN-LOUP CHENUT
21 rue de Chateaudun, Paris 9, France
Investment manager of Assurances du Groupe de Paris

Manager
G.T. MANAGEMENT LIMITED
Park House, 16 Finsbury Circus,
London EC2M 7DJ

Brokers
CAZENOVE & CO
12 Tokenhouse Yard,
London EC2R 7AN
and The Stock Exchange

Registrars and Transfer Office
WILLIAMS & GLYN'S
REGISTRARS LIMITED
16 Old Broad Street,
London EC2N 1DL

Receiving Bankers to the Issue
WILLIAMS & GLYN'S BANK LIMITED
67 Lombard Street, London EC3P 3DL

Auditors
ROBSON RHODES
Chartered Accountants.
186 City Road, London EC1V 2NU

Solicitors
SLAUGHTER AND MAY
35 Basinghall Street, London EC2V 5DB

Secretary and Registered Office
DENNIS THOMAS HOLME NICHOLSON, M.B.E.,
Park House, 16 Finsbury Circus, London EC2M 7DJ

Statutory and General Information

Share Capital

The Company was incorporated as a public limited company in England and Wales under the Companies Acts 1948 to 1980 on 12th March, 1981, with an authorised share capital of £13,000,000 divided into 13,000,000 Ordinary Shares of £1 each.

Two shares in the Company have been issued for cash at par and are presently beneficially held by G.T. These shares are included in the shares being made available under the issue to the public.

Articles of Association

The Articles of Association of the Company contain *(inter alia)* provisions to the following effect:—

Directors

(i) Each of the Directors shall be entitled to remuneration for his services at the rate of £5,000 per annum or such other sum as the Company may in general meeting from time to time determine. In addition, each Director may be paid his reasonable travelling, hotel and other incidental expenses of attending and returning from meetings of the Board of Directors or general meetings of the Company and shall be entitled to all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, upon request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board of Directors of the Company go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board of Directors of the Company may determine.

(ii) A Director is not required to hold any shares in the Company to qualify for the office of Director.

(iii) A Director need not retire upon reaching the age of seventy and a person who has attained the age of seventy may be appointed a director of the Company.

(iv) Save as provided in the Articles, a Director may not vote in respect of any contract or arrangement in which he has any material interest other than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director may not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(v) The Directors may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person, including any Director or former Director or the relations, connections or dependants of any Director or former Director provided that, without the approval of the Company in general meeting, no such pension or other benefit shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries.

Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) including uncalled capital. The aggregate amount for the time being owing by the Group in respect of any moneys borrowed by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) may not at any time, without the prior sanction of the Company in general meeting, exceed a sum equal to one and one half times the Adjusted Capital and Reserves (as defined in the Articles).

Capital Reserve

Any surplus over the book value derived from the sale or realisation of any capital asset shall be credited to a Capital Reserve or applied for some capital purpose. There shall also be credited to such reserve or applied as aforesaid any other sums representing accretions to capital assets, including in particular any sums resulting from the writing up of the book values of any capital assets. The Capital Reserve shall not be available for dividend but may be used to meet depreciation of capital assets or for the improvement of capital assets or for such other capital purposes as the Board may think fit. Any taxation arising in consequence of the disposal of any capital asset and any deficit below book value resulting on the disposal of any capital asset may be debited in whole or in part against such reserve.

Issue of Securities

The Board of Directors have the authority, which shall, unless renewed by the Company in general meeting, expire on the date falling 5 years from the date of incorporation of the Company, to exercise all the powers of the Company to allot all relevant securities of the Company (within the meaning of Section 14 of the Companies Act 1980) and such authority is unconditional. The maximum nominal amount of relevant securities that may be the subject of allotment under such authority is £13,000,000, inclusive of the shares now being issued. Notwithstanding that this authority will expire on the date falling 5 years from the date of incorporation of the Company, it extends to the making, before such expiry, of an offer or agreement which would or might require securities to be allotted after such expiry and accordingly the Directors may allot relevant securities in pursuance of any such offer or agreement.

Duration of the Company

The Directors shall convene an extraordinary general meeting of the Company to be held at any time on or after 1st March, 1988 and before 31st March, 1988 and procure that a resolution will be proposed thereat requiring the Company to be wound up voluntarily. Every shareholder present in person or by proxy and entitled to vote is required to vote in favour of such resolution. Additionally the Directors shall convene an extraordinary general meeting of the Company to be held within two months after each annual general meeting of the Company for the purpose of considering the passing of a resolution to wind up the Company voluntarily unless at the immediately preceding annual general meeting a resolution was passed releasing the Directors from such obligation.

Voting

On a show of hands every member who is present in person and entitled to vote at a general meeting of the Company shall have one vote and on a poll every member present in person or by proxy and entitled to vote shall have one vote for every £1 nominal amount of ordinary share capital of which he is the holder.

If compliance is not made with any notice given by the Company requiring disclosure, under Section 27 of the Companies Act 1976, of the beneficial interests in any shares, the Company may serve notice on the registered holder of such shares to the effect that those shares shall not carry any voting rights until the requirement is complied with.

Underwriting

By an Agreement dated 1st April, 1981 Cazenove & Co. have agreed, subject to the shares now being offered being admitted to the Official List not later than 14th April, 1981, to underwrite the issue of such shares for a commission of 1¾ per cent. (exclusive of value added tax) of the aggregate issue price of such shares out of which Cazenove & Co. will pay a commission of 1¼ per cent. on the issue price to sub-underwriters.

In addition to the preliminary expenses which are estimated to amount to £200, the Company will also pay the expenses of the issue, including capital duty, advertising costs, printing costs, accountancy and legal charges, The Stock Exchange listing fee, the fees payable to the receiving bankers and registrars, the above-mentioned commissions and brokerage and value added tax where applicable. The aggregate costs and expenses payable by the Company in respect of the issue of the shares are estimated to amount to £395,000. After meeting these expenses the net proceeds of the issue are estimated to amount to £9,605,000.

Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company since incorporation and are or may be material:—

(i) Dated 1st April, 1981 between the Company (1) and G.T. (2) under which G.T. has agreed to manage the Company for a quarterly fee of 0·25 per cent. of the value of the funds under management (which are defined to mean the gross assets of the Company and its subsidiaries less all liabilities other than borrowings but excluding investments in other entities managed by G.T. or any of its subsidiaries) and to be reimbursed certain expenses; such contract is terminable by either party on 12 months' notice which may be given at any time expiring on or after 31st March, 1988.

(ii) *Dated 1st April, 1981 between the Company (1) and Cazenove & Co. (2)* being the agreement referred to above under "Underwriting."

General

(i) Save as disclosed herein:—

(a) *no share or loan capital of the Company* has been issued or agreed to be issued for cash or otherwise since incorporation, and

(b) no commissions, discounts, brokerage or other special terms have been granted by the Company since incorporation in connection with the issue of any of its share or loan capital.

(ii) No share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

(iii) Apart from the issue of 10,000,000 shares being made hereunder, no material issue of shares (other than to shareholders pro rata to existing holdings) will be made within one year without the prior approval of the Company in general meeting; in addition, no issue will be made which would effectively alter the control of the Company without the prior approval of the Company in general meeting.

(iv) The Company is not engaged in *any litigation and does not have any claim* of material importance pending or threatened by or against it.

(v) The minimum amount which, in the opinion of the Directors, must be raised by the issue of the Ordinary Shares in order to provide for the matters referred to in paragraph 4 (a) of the Fourth Schedule to the Companies Act 1948 is £7,500,000, made up as follows:—

(a) purchase price of property, nil;

(b) preliminary expenses and commissions, £175,200;

BIDS AND DEALS

Tilling moves in to the Far East

Thomas Tilling, one of Britain's largest industrial holding groups—which has been steadily building up its U.S. interests in the last four years—has announced its first acquisition in the Far East.

It has purchased a 75 per cent interest in Central Industrial Supplies, a Singapore based distributor of oilfield equipment, for a price expected to be around S$8m cash (£1.72m). The price is dependent on CIS's results for 1980/81.

CIS, established in 1970, supplies equipment materials and supplies to the oilfield, oilfield related and general industrial markets throughout South-East Asia where Tillin gsays there is "a buoyant and expanding market in onshore and offshore oil and gas exploration rig construction and production."

For the year 1979-80 CIS's sales totalled S$13.75m (£2.94m) and pre-tax profits amounted to S$906,000. In the first eight months of the current year sales had reached some S$12.8m.

Sir Patrick Meaney, Tilling chairman, said yesterday the search for suitable investments in the Far East was a "wearisome task". CIS was identified only after three years of searching.

He said the group was also looking at four other possible investments in that area. It was hoped to complete one further acquisition this year, but the other three may not come to fruition.

Sir Patrick said Tilling had looked at a great many possible acquisitions, including some famous names, but often found indifferent management and little prospect for profitable investment.

He said he would be happy to see 5 per cent to 10 per cent of total shareholders' funds of the group invested in the Far East, centred on Singapore, Hong Kong and Australia. But the group was particularly looking at Japan as a possible base for operations in the area and the chairman planned to visit the country in June.

The group already had two bases in Japan and Sir Patrick said it may be decided to establish a majority held base from which to serve the rest of Asia.

Tilling has spent some £165m on U.S. expansion in the past four years.

One of its principal holdings is the NWS Supply Group which markets, through 49 locations, equipment and materials used in the exploration production and transmission of oil and gas.

Tilling says that the association of CIS with NWS will provide additional strengths for the further expansion of the business throughout South East Asia. It also offers future trading benefits for the group in the U.S. and internationally. The group has already budgeted to spend £100m on acquisitions and investment this year.

Elsewhere in the world the group was always looking for possible opportunities in Germany, Austria and France, Sir Patrick said.

Last month Tilling reported a fall in group pre-tax profits from £81.1m to £70.7m for 1980, on sales of £1.7bn (£1.42bn).

£1.5m acquisition by Johnson Matthey

Johnson Matthey and Company, the gold, silver and platinum refiners, has acquired Eagle Transfers, a manufacturer of transfers and marking systems for industrial and general consumers, in a deal worth £1.5m.

Johnson Matthey has issued 350,000 ordinary shares of £1 each, credited as fully paid, as part of the consideration for the acquisition of the Lichfield, Staffordshire, based group.

Part of the consideration is being satisfied by Johnson Matthey taking over a debt owned by Hartburn, Eagle's holding company, part by the issue of the shares, and the balance by cash payable to the vendors.

Eagle Transfers will continue to operate with its existing management and staff.

RECORDS GROUP UP FOR SALE

Associated Communications Corporation, the television and leisure group headed by Lord Grade, has its record and sound tapes operation, formerly Pye Records, up for sale.

The company, Precision Records and Tapes, employs some 300 people and made a loss of over £1m last year.

Associated said "the company is up for sale, but the price has to be right." Associated declined to say what price it expected.

The company does not include the video tapes operation, which runs under the name Precision Video. According to Associated, Video was "entirely separate and is doing well."

DEBRETT'S STAKE FOR LONDON TRUST

Debrett's Peerage, 218-year-old chronicler of the nobility and the socially elite, has entered the fold of London Trust, which paid £150,000 for a 75 per cent stake.

The past few years have seen only losses at Debrett's into which London Trust, whose investment interests include a 29.6 per cent stake in publisher George G. Harrap, intends to inject a further £200,000.

The next edition of Debrett's peerage—the 1980 edition, price £45—is due in around four years. But the company plans soon to start putting out a yearly Debrett's Handbook of the titled and the prominent.

In addition, Debrett's publishes a selection of books covering such aristocratic pursuits as shooting, yachting and falconry. At the end of this month, it will publish — ahead of the competition—its royal wedding book.

London Trust bought its stake from Mr. Angus Mackenzie, a Canadian oilman who heads Sceptre Resources. He will keep a 25 per cent holding.

PITMAN SELLS TWO SUBSIDIARIES

Pitman has sold the imprint, stock and goodwill of book publishing subsidiaries Focal Press Ltd. and Focal Press Inc. to Butterworth and Company (Publishers) for £800,000, subject to retention of £100,000 pending a stock check.

The sale involves the transfer of about 300 titles on photography and audio and visual communication.

In the year to March 31, 1980, Focal Press Ltd. made pre-tax profits of £8,061 but Focal Press Inc. showed a pre-tax loss of $42,509. The value of the assets sold is about £596,000.

As well as reducing Pitman borrowings, the sale forms part of a general consolidation and restructuring of the group aimed at concentrating on the expansion of educational publishing.

BOC INTERNATIONAL

In connection with the acquisition of Software Sciences International in December, 1978, a further amount of £2m has become payable as consideration for the acquisition. This is to be satisfied by the issue of 1.7m ordinary shares.

LONDON TRADED OPTIONS

(April 2 Total contracts 1,541)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	330	52	10	—	—	—	—	388p
BP	360	32	9	48	39	60	—	"
BP	390	15	164	34	51	44	—	"
BP	420	4	4	18	15	28	—	"
BP	460	—	—	8	65	—	—	"
Com. Union	140	34	15	38	—	41	—	172p
Com. Union	160	14	55	22	8	27	—	"
Com. Union	180	4	—	9½	15	16	—	"
Cons. Gold	460	25	10	52	10	75	10	481p
Cons. Gold	488	9	7	—	—	—	—	"
Cons. Gold	500	—	—	35	13	52	3	"
Cons. Gold	550	—	—	17	—	30	4	"
Cons. Gold	588	¾	5	7	—	—	—	"
Cons. Gold	638	½	10	3	—	—	—	"
Courtaulds	50	15	20	17½	—	19	—	64p
Courtaulds	60	5½	26	9	52	11	—	"
Courtaulds	70	1	10	4	20	6	1	"
GEC	500	195	4	205	—	—	—	695p
GEC	550	145	10	155	—	160	—	"
GEC	600	95	—	105	17	115	4	"
GEC	650	45	90	60	3	78	20	"
GEC	700	12	31	30	24	50	1	"
Grand Met.	180	17	1	26	1	32	—	196p
Grand Met.	200	4	57	13	—	18	10	"
ICI	220	45	—	56	—	64	18	260p
ICI	240	25	52	42	10	52	—	"
ICI	260	8	70	24	38	40	18	"
ICI	280	2	—	16	17	30	—	"
ICI	300	½	3	7	5	18	—	"
Land Sec.	330	104	2	110	—	—	—	432p
Land Sec.	390	44	10	56	10	70	1	"
Land Sec.	420	17	42	36	—	50	—	"
Land Sec.	460	1½	—	15	—	27	16	"
Marks & Sp.	110	19	4	24	—	29	10	128p
Marks & Sp.	120	9½	2	15	23	19	3	"
Marks & Sp.	130	3½	6	8½	64	13½	—	"
Shell	390	8	2	26	10	36	4	378p
Shell	420	1½	—	11	12	22	1	"
Shell	460	½	—	4	20	13	—	"
Totals			711		502		126	
		May		August		November		
Barclays B'k	390	17	—	32	4	37	4	390p
Barclays B'k	420	4	9	20	—	27	—	"
Imperial Gp.	70	5	1	8½	—	9	—	72p
Imperial Gp.	80	1	—	3	15	4	—	"
Lasmo	550	52	9	77	—	94	—	589p
Lasmo	600	20	5	44	1	65	—	"
Lasmo	650	8	2	27	5	41	—	"
Lasmo	700	4	—	16	2	27	—	"
Lonrho	90	6	3	15	1	18	—	93p
Lonrho	100	4	15	9½	5	12½	12	"
Lonrho	110	1½	14	5	—	8	10	"
Lonrho	120	½	2	2	—	—	—	"
P. & O.	160	4	3	9	1	14	—	149p
Racal Elec.	300	91	1	99	—	—	—	383p
Racal Elec.	330	61	5	75	—	87	—	"
Racal Elec.	360	39	20	54	—	67	—	"
Racal Elec.	390	15	10	34	—	49	—	"
RTZ	454	30	21	—	—	—	—	468p
RTZ	494	12	12	—	—	—	—	"
RTZ	500	—	—	30	10	45	—	"
Totals			152		44		26	

MINING NEWS

Amgold facing cooler times for bullion

BY KENNETH MARSTON, MINING EDITOR

THE DOUBLING in the average price of gold to $614 per troy ounce last year produced a bonanza for the South African gold mining industry. Its total revenue soared by 80 per cent to a record R10.2bn (£5.7bn) in the face of a lower production of 674 tonnes against 703 tonnes.

After allowing for a 17.7 per cent rise in costs, the industry's net profit after tax and capital expenditure advanced by 125 per cent to R2.6bn. Reflecting this, earnings of the major holding company, Anglo American Gold Investment (Amgold) moved up nearly two and a half time to R315m.

This year the picture has changed with an average gold price so far of just over $500 and a continued rise in costs. This is going to result in some sharply lower working profits in the gold mining results for the first quarter of this year—they are due to start appearing next week—as compared with the December 1980 quarter when the average price received was $637.

Nobody is very sure where the gold price is going in the short term, but there is little doubt that dividend reductions are in store. It should be remembered that gold mining companies do not normally carry reserves to cushion the effects on their dividends of fluctuations in earnings; they retain only what is required for capital expenditure.

Amgold, however, does put money to reserve and it retained a larger proportion of earnings in 1980 than in recent years. In the annual report the chairman, Mr. J. Ogilvie Thompson, points out that this was partly in order to take advantage of investment opportunities and partly to avoid undue fluctuations in its own dividend in the event of lower gold prices.

Commenting on the gold picture, Mr. Thompson notes last year's fall in supplies to the market and expects a continued gradual decline. He also sees an increase in demand, both in jewellery and certain aspects of investment, views which are much in line with those recently expressed by the London merchant bank Samuel Montagu.

He sums up by saying: "I believe that overall demand will be sufficient to ensure a reasonable price for gold in the forthcoming year, but the present climate dictates a cautious approach in the light of further weakness that could still occur."

At February 28, Amgold's net assets equalled R108.29 (£60.40) per share. The shares were £40¼ yesterday to show a yield on last year's R11.50 dividend of 16 per cent.

Bindura attacks marketing plan

ZIMBABWE'S largest nickel mining concern, the Anglo American group's Bindura Nickel, warned yesterday that the Government's plan to establish a state-owned metals and minerals marketing agency had created uncertainty at a time when all metal markets were weak, reports Tony Hawkins from Salisbury.

The proposal was outlined in February in the Government's economic policy document Growth with Equity, in which the authorities affirmed their commitment to a mixed economy but with increased participation by the state.

Mr. G. A. Carey-Smith, Bindura's chairman, said in his annual review that while it was understandable that the Government should wish to be satisfied that mining exporters were obtaining the best possible prices for their products, the international financial community, and especially those in metal marketing, had expressed concern about the Government's intentions.

He added that fears had been expressed that this was the first step towards nationalisation of the country's minerals industry.

However, the industry has been given a firm assurance that the Government's only criterion is that the best price should be obtained, and that its intended involvement is with metal marketing and not with nationalisation, Mr. Carey-Smith said.

He hoped there would not be too much delay before the Government presents its definitive proposals to the industry, as the present uncertainty only adds to the problems associated with what is currently a buyers' market.

Mr. Carey-Smith was cautious about immediate prospects for Bindura, forecasting profits of perhaps Z$6m (£4.2m) against Z$9.25m last year. Production of concentrates will be 450 tonnes lower at about 7,800 tonnes at the three producing mines, Trojan, Epoch and Bindura.

He went on to say that while economists are predicting inflation of at least 15 per cent in Zimbabwe this year, he believes that many of Bindura's major costs could rise by significantly more than that.

He warned that the nickel market can be expected to remain weak until the third quarter, when there should be some improvement, and this should become more significant in 1982.

Much depends on the relationship between the Zimbabwe and U.S. dollar, he said, since for all practical purposes nickel prices are denominated in terms of the U.S. currency.

CRA seeks to purchase rest of Hamersley

IN A MOVE which will further its "Australianisation," Rio Tinto-Zinc's 61.1 per cent-owned CRA announces a A$200m (£104m) share exchange deal to acquire the 17.68 per cent of the iron ore-producing Hamersley Holdings that it does not already own.

Our Sydney correspondent reports that the proposed share exchange of one CRA for one Hamersley will boost the Australian-held equity in CRA to 44.8 per cent from 38.9 per cent if the offer is accepted. It will also reduce RTZ's holding in CRA to 55.2 per cent. The deal sets a market value of A$1.13bn on Hamersley, making it one of Australia's 10 largest companies.

Of the 17.68 per cent of Hamersley to be acquired, the 11.5 per cent portion is held by Australian shareholders and the remaining 6.2 per cent by the Japanese. The deal has been expected since CRA first bought the U.S. Kaiser Steel's 28.32 per cent stake in Hamersley in June, 1979, lifting the CRA holding to 82.32 per cent.

A spokesman for CRA said yesterday that the latest move would give the company the ability to take a more hard-headed approach in iron ore contract negotiations. The offer will be subject to Governmental and other consents. Formal offer documents are to be sent to Hamersley shareholders next month.

In London yesterday shares of Hamersley were raised 80p to 235p, while those of CRA fell 7p to 241p.

SHARE STAKES

Jitra Rubber Plantations — Kuala Lumpur Kepong Investments notifies the following individual and combined interests in the following companies: Kuala Lumpur 354,000 shares (7.694 per cent), Batu Kawan Berhad 800,000 shares (7.207 per cent) and Parit Perak Holdings Berhad 37,500 (0.338 per cent). Total 1,691,500 shares (15.239 per cent).

Padang Jawa Rubber Estate—J.P. Pashley has acquired 621,889 shares.

Williamson Tea Holdings — Romai Tea Holdings now holds 773,514 shares (33.80 per cent).

Sungei Bahru Rubber Estates—Climate Engineering (Malaya) SDN Berhad has acquired 29,500 shares, making a total interest of 168,000 shares (6.43 per cent).

Tesco — The non-beneficial interests of Mr. L. Porter have been reduced by 180,200 shares.

Selincourt—Following recent acquisitions, director Mr. D. V. Pick now holds 810,000 ordinary shares.

Brownlee — Golde Investment Trust now holds 1,040,000 shares (9.73 per cent).

Royal Bank of Scotland — J. Henry Schroder Wagg and Co. has sold 50,000 shares at 142p on behalf of discretionary investment clients.

Black & Edgington setback

PRE-TAX PROFITS of Black and Edgington, the leisure and industrial textile group, plunged from £1.07m to £144,000 for 1980 on marginally increased sales of £58.2m (£57.4m).

The figures exclude the results of A-Line Caravans, the caravan manufacturing subsidiary sold in September 1980, which showed a trading loss of £170,000 for the nine months, compared with a profit of £375,000 in the previous year.

The directors, however, have proposed a final dividend of 1p (2.8p) because of improved prospects. There was no interim. In the previous year, the net total payment was 5p.

Mr. B. G. Duthie, chairman, says the results are disappointing. But he believes the "drastic surgery carried out over the past 18 months . . . is beginning to have an effect."

It enabled the group, he says, to achieve a small improvement in the second half of the year. After the first six months the group showed a pre-tax loss of £265,000.

Mr. Duthie says the group achieved a substantial reduction in borrowings from £14m to just under £8m. This together with lower interest rates should contribute to a considerable improvement in profitability in spite of the difficult trading climate.

The taxable surplus was after interest charges of £1.94m (£1.54m) and a share of associated companies' profits of £58,000 (£129,000).

Tax took £351,000 (£255,000) and minority interests £96,000 (£3,000). There was an extraordinary credit of £68,000, after a charge of £270,000 for factory closures and a gain of £360,000 on property sales, and a loss on the sale of A-Line Caravans of £2.07m.

The loss attributable to shareholders was £2.47m, against a profit last time of £1.45m, and the loss per share was 2.57p against earnings of 6.29p in 1979.

After current cost adjustments, the taxable surplus was turned into a loss of £851,000, excluding the A-Line loss of £359,000.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Interim: W. A. Tyzack.

Finals: Breedon and Cloud Hill Lime Works, Charles Early and Marriott, William Jacks, Martin-Black, Stanley Miller, North British Canadian Investment, L. Ryan, Scottish Television, Sharna Ware, Tate of Leeds, E. Upton.

FUTURE DATES

Interims—	
CLRP Investment Trust	Apr. 7
Dowding and Mills	Apr. 8
North Atlantic Securities	Apr. 8
Sun Life Assurance	Apr. 15
Finals—	
Bank of Ireland	May 14
Blantyre Tea	Apr. 6
Bodycote International	Apr. 28
Croda International	Apr. 14
Expanded Metal	Apr. 14
Harris Queensway	Apr. 22
Home Charm	Apr. 14
Jerome (S.)	Apr. 2
Lovell (G. F.)	Apr. 15
Midland Industries	Apr. 9

● comment

It has been a long hard slog for Black and Edgington and the preliminary results, while distinctly poor, could not have been helped and the shares shed 1p to 49p. A-Line is now out of the way, having brought the group into a pre-tax loss as its parting shot. The A-Line disposal has reduced net worth to £14.8m from around £17.5m a year ago. Group borrowings are well down, but capital gearing is nonetheless more than 50 per cent. B and E is in loss in its first quarter and while it will probably make a small profit at the interim stage it is unlikely to pay an interim dividend. The main drive now is to return to the black, helped by a reduction in interest costs. The group's business is still recession prone and it could be 1982 before any real trading upturn filters through to the p and l account.

NO PROBE

The proposed merger between certain food tinning interests of Tozer Kemsley and Millbourn (Holdings) and Imperial Group is not being referred to the Monopolies Commission.

Expansion for Queens Moat

RECORD pre-tax profits for 1980 up 43 per cent from £682,214 to £972,530 are reported by Queen's Moat Houses on turnover up 11 per cent at £13.04m.

Mr. John Bairstow, chairman, says the results are very satisfactory "in these times of recession and extremely high interest rates."

Looking to 1981 he says that "the management is determined to continue and accelerate the expansion seen in recent years and is confident that the year will show further improvements."

A final dividend of 0.55p net (0.357p) per 5p share is recommended making a total of 1.1p (0.75p) for the year. The directors are also proposing a two-for-five scrip issue and intend to maintain the dividend on the higher capital.

Mr. Bairstow says the purchase of additional hotels will continue. "It is hoped that further acquisitions can be reported in the very near future."

The dividend absorbs £237,742 (£129,488) and preference £2,800 (same). Stated earnings per share emerged at 4.47p (2.4p).

An increase in the company's authorised share capital from £2.1m to £3.1m is proposed involving the creation of 20m additional ordinary shares.

Consumer side hits Grampian

A SHARP FALL in consumer goods profits, from £865,000 to £97,000, pushed the pre-tax surplus of Grampian Holdings back to £1.45m last year, compared with £1.93m in 1979.

Profits from industrial services rose, however, from £1.46m to £1.8m, with a major contribution again coming from the transport division. The pre-tax figure—reduced to £7,000 on a CCA basis—was also struck after expenses of £434,000 (£354,000) and the associate's losses of £15,000 (£41,000).

Mr. D. C. Greig, chairman of the group, whose interests include construction, plant hire, transport, light engineering and retailing, says profits fell short of expectations.

But he says the full accounts will show there has been an increase in shareholders' funds, coupled with a reduction in borrowings. Borrowings in the first quarter of the current year have been lower than at the same time in 1980, he adds.

The dividend is maintained at 4.5p net with a final of 3p.

● comment

Like many other small conglomerates the rate of trading profit gain is distorted by several aspects, in this instance, by asset disposals. Pre-tax profits are sharply down but this disguises a £500,000 shortfall on the surplus from fleet disposals and a £300,000 rise in interest charges. Grampian, then, has nosed ahead despite serious difficulties in several major components of the consumer products division. Losses in Mitre sports goods appear to have been swollen by £200,000, the Rose-Morris musical instruments business seems to have turned down from a £200,000 profit to a £100,000 deficit while Millard, breaking even in 1979, incurred a £200,000 loss. Work on the balance sheet has nevertheless cut gearing by 4 points to 31 per cent. Margins are still under pressure and there is always the chance even a small collection of diversified business will again prove slow on its feet during periods of rapid change. Yet the yield of 10.7 per cent looks safe enough at 63p, up 8p in ebullient market conditions yesterday, and the debt: equity position is designed to improve further.

House of Lerose tops up dividend

After foreign exchange losses of £39,427, compared with £86,010, profits of the House of Lerose for 1980 rose at the pre-tax level from £1.19m to £1.58m—the comparable figure was after charging rationalisation costs in Holland of £330,000.

At midyear taxable profits were up from £403,156 to £568,454.

The total dividend for the year is being stepped up from 5.26p to 6p net with an increased final of 4p (3.43p).

Sales of this Birmingham-based ladies' fashion wear group were lower, falling from £17.08m to £15.82m.

On a CCA basis the pre-tax surplus is reduced to £1.25m.

Magnolia dives but holds final

PRE-TAX profit of Magnolia Group (Mouldings) fell substantially from £1.12m to £751,000 in 1980, on turnover 11 per cent higher at £7.29m, compared with £6.55m.

At the half-year stage this manufacturer and importer of picture frame mouldings made a profit before tax of £387,000 (£473,000) on turnover of £3.54m (£3.17m).

The directors say that difficult trading conditions reduced profit margins in 1980. Conditions continue to be difficult and the strong pound exacerbates an early recovery in the export division, they add. "At present there is no evidence of any recovery in the near future but when trading conditions show signs of improvement we are ready to take advantage of the situation."

The final dividend is maintained at 1.5p net per 10p share making a same again total of 2.1p. This level of dividends absorbs £118,000 (£115,000). The stated earnings per share emerged at 13.29p (12.2p).

Tax for the year was down from £460,000 to £18,000 after taking account of the new stock relief provisions of the 1981 Finance Bill.

Extraordinary items took £27,000 (£7,000) and the retained balance emerged at £588,000 (£540,000).

On a current cost basis the pre-tax profit came out at £363,000.

Austin Reed holds on in second half

Profits of Austin Reed Group, apparel retailer and manufacturer, fell back in the 12 months to end-January, 1981, the pre-tax figure emerging at £2.54m, compared with £3.29m.

However, the directors point out that after a very difficult start to the year there were signs of an improvement in trading conditions in the second half—taxable profits for this period rose marginally from £1.98m to 2.17m after falling at the interim stage to £370,000 (£1.31m).

The dividend for the year is being maintained at 3.36p net with a same-again final of 2.46p.

Sales for the year were up slightly at £42.61m (£41.34m) but at the trading level profits showed a sharp drop from £3.29m to £1.76m.

The pre-tax figure was struck after a surplus on property transactions of £779,000 (nil) but was subject to tax of only £244,000, compared with £1.08m.

Attributable profit came through virtually unchanged at £2.29m (£2.22m). Stated earnings per 25p share improved from 12.6p to 13p.

● comment

Austin Reed's interim forebodings have not been completely borne out. After a dismal first half the company decided to switch tack and go for higher margins at the expense of turnover. This move has enabled it to make up some early ground lost but still leaves trading profit for the year down by 30 per cent. Borrowings have remained stable but interest charges have predictably taken their toll, rising nearly 30 per cent to £1.35m. Longer term growth will largely depend on Reed getting its mix right with greater stress in future to be placed on ladieswear and sportswear. The shares, buoyed up by recent bid rumours, stand at 92p yielding nearly 8 per cent. With a well covered dividend and net assets per share of around 120p this level should be comfortably supported.

Record surplus and turnover at Pitney Bowes

A sharp rise in export sales enabled Pitney Bowes, the Harlow, Essex, manufacturer of business and mailing equipment, to increase pre-tax profits by over 32 per cent in 1980.

The company, a wholly-owned subsidiary of Pitney Bowes Inc of the U.S., returned a record surplus of £4.46m, against £3.37m the previous year, including investment income less interest payable of £532,000 (£218,000).

Record sales of £31.37m, more than 15 per cent up on the previous year's £27.06m, were also achieved.

Mr. T. J. Gilligan, chairman, said a surge in export sales, particularly in Europe, and the "splendid efforts of the sales force" were the main factors behind the record results.

After an increased tax charge of £1.47m (£483,000), the profit attributable to members was £3m, compared with £2.89m. No dividend is proposed.

On a current cost basis, the pre-tax surplus was reduced to £3.38m (£2.73m).

Dividend held at Thurgar after setback

Taxable profits of plastic products manufacturer Thurgar Bardex fell from £391,000 to £268,000 for the year to December 27, 1980, on an improved turnover of £7.39m (£6.54m).

The net total dividend is being maintained at 0.9p with a final of 0.6p (same).

At the halfway, group earnings were £195,000, compared with £174,000 for the corresponding 24-week period of 1979.

Interest charges increased from £163,000 to £212,000. And after a tax credit of £20,000 (debit £40,000), the attributable profits were £288,000 (£31,000). Earnings per 10p share were reduced from 3.42 to 2.18p.

Expansion by Sherwood Computer

A 70 per cent jump in turnover to £2.4m is reported for 1980 by Sherwood Computer Centre, the independent computer bureau serving the London insurance market. Pre-tax profit was £101,000 before profit-sharing, compared with £14,000 in 1979 when there were heavy software expansion costs.

Sherwood, which with its associates Dataloyd and Sherwood Syndicate Services handles data processing for over 40 per cent of Lloyd's syndicates and underwriting agents, expects a further substantial increase in turnover in the current year. This follows introduction of the Spartacus software / hardware package.

Negotiations are currently under way with a number of major potential users. Recent investment in new hardware includes a £60,000 ICL series 2 key edit machine, a Prime 550 computer and an ICL ME29.

MIDLAND BANK STATISTICS

Statistics compiled by Midland Bank show that the amount of "new money" raised in the UK by the issue of marketable securities in March was £164.8m, £18m less than the revised total for last month but the highest March figure since 1976. In the first quarter £568m was raised compared with £123.3m in the same period last year, being the largest quarterly total since the third quarter of 1975.

REDIFFUSION IN NAME CHANGE

Rediffusion announce changes in the names of a number of its trading subsidiaries. These will take effect from the end of this month.

Most prominent among those affected are the Redifon companies. These will now trade as Rediffusion Simulation (formerly Redifon Simulation), Rediffusion Computers (formerly Redifon Computers) and Rediffusion Radio Systems (formerly Redifon Telecommunications). Also, Rediffusion Reditune has been renamed Rediffusion Music. A number of overseas subsidiaries are also involved.

THORN EMI BOND CONVERSIONS

As at March 31, 1981, of the US$25m 7 per cent convertible guaranteed bonds 1988 issued by Thorn EMI's subsidiary, Thorn International Finance BV, bonds with a nominal value of $24.447m had been converted into ordinary shares.

The nominal value of bonds outstanding is $553,000.

BANK RETURN

BANKING DEPARTMENT

	Wednesday April 1 1981	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	80,205,119	+ 22,155,382
Bankers Deposits	683,078,290	— 5,390,208
Reserve & other Accounts	1,260,588,473	— 38,143,848
	1,998,424,882	— 20,378,724
ASSETS		
Government Securities	627,665,856	+ 67,305,000
Advances & other Accounts	929,565,859	— 253,612,129
Premises Equipment & other Secs.	436,476,948	+ 180,935,979
Notes	4,412,783	— 15,065,189
Coin	303,436	+ 57,615
	1,998,424,882	— 20,378,724

ISSUE DEPARTMENT

Liabilities	£	£
Notes issued	10,475,000,000	+ 100,000,000
In Circulation	10,470,587,217	+ 115,065,189
In Banking Department	4,412,783	— 15,065,189
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	6,159,181,260	+ 508,043,182
Other Securities	4,304,803,640	— 408,043,182
	10,475,000,000	+ 100,000,000

APPOINTMENTS

Mr. Colin Plumbe has been appointed to the Board of CARPETS INTERNATIONAL with special responsibilities as director for UK strategic operations. Mr. Plumbe, who has held the group posts of managing director of Croslee Yarns and deputy managing director of the Carpet Manufacturing Company, will report to Mr. J. M. Carpenter, chairman and chief executive, and will work closely with the managing directors of the operating subsidiaries.

Mr. Graham Mallinson, joint deputy managing director of Carpets International (Northern), has become managing director of that company with Mr. J. P. Crossley continuing as its chairman and Mr. C. G. Crossley, deputy managing director.

★

Mr. Robert A. Dale has been appointed general manager of LUCAS WORLD SERVICE from May 1 to succeed Mr. Glyn Stiley, who is retiring because of ill-health.

★

Mr. Alan Sherry has been appointed to the new post of director of overseas services, CENTRAL ELECTRICITY GENERATING BOARD. He will develop the Board's work with British Electricity International, the overseas consultancy company of Britain's electricity supply industry. Mr. Sherry takes up his appointment on May 1 and will be located at CEGB headquarters in London. He is currently director of resource planning in the Board's North Western Region.

★

Mr. I. Suchoversky is to become chairman of ALCAN ALUMINIUM (UK) to succeed Mr. D. A. Pinn who will remain on the Board. Mr. Suchoversky, a Canadian citizen, joined the Alcan Group in Switzerland in 1952. After holding a number of executive positions he was made president and chief executive officer in 1975 of Alcan Aluminium (Europe) SA and in 1980 he was appointed to the additional post of an executive officer, Alcan Aluminium, Montreal, as vice-president—Europe.

★

Mr. Richard Bowen has been appointed chief executive of MWP INCENTIVES from April 6. He is replacing Mr. William Froby, who will be returning to Morgan Grenfell & Co. but will remain a non-executive director of MWP.

★

Mr. P. M. H. Andreae has been appointed to the Board of KLEINWORT BENSON INVESTMENT MANAGEMENT.

★

Dr. Russell-Rees, consultant physician to the Bristol Royal Hospitals and the South West Regional Hospital Board, has been appointed a director of the CLERICAL MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY.

★

Mr. Hugh W. Laughland has succeeded Mr. Peter Ryan as chairman of REST ASSURED, a member of the Thomas Tilling group. Mr. Laughland is chairman of four other companies in the Tilling group.

★

Mr. W. C. Irving has been appointed managing director of TI MARKLAND, Lancs

★

Sir Robert Marshall, chairman of the National Water Council, has been elected group chairman of the NATIONALISED INDUSTRIES' CHAIRMEN'S GROUP for 1981-82. Sir Derek Ezra, chairman of the National Coal Board and group chairman of NICG for 1980-81, becomes past chairman of the group for the coming year.

★

Mr. J. Moger Woolley has been appointed an assistant managing director of the DICKINSON ROBINSON GROUP.

★

Mr. Keith F. Barnard has been appointed managing director of HILTCROFT PACKAGING SYSTEMS succeeding Mr. T. J. Parker who has become chairman. Mr. Barnard has also been made a director of Hiltcroft Holdings, the parent company.

★

Mr. Guy Dinning, group secretary of WILLIAM LEECH, has been appointed to the main Board.

★

Mr. A. E. Derry has resigned as a director of ARTHUR BELL & SONS.

★

Mr. C. J. N. Ward has joined the Guinness Group and will succeed Mr. B. McElroy as managing director GUINNESS RETAIL HOLDINGS at the end of April.

★

Mr. G. F. Curran, Mr. J. Leigh-Wood and Mr. J. G. Young will become shareholding members of LAING AND CRUICKSHANK, stockbrokers, from May 1.

★

Mr. D. P. Johnstone, Mr. D. R. Stoddart and Mr. G. R. Bristowe will be leaving the partnership of WEDD DURLACHER MORDAUNT AND CO., stockjobbers, on April 30. Mr. G. Gardner, Mr. H. A. Joules, Mr. R. Smith and Mr. R. L. J. Tarrel will be joining the partnership from May 1.

★

Mr. Peter Morgan, until recently managing director of BL European operations in Brussels, has resigned for personal reasons.

Mr. I. M. Fisher, Miss J. P. J. Rickard, Mr. R. S. McCormick and Mr. R. A. Chamberlin are to become partners in FRESHFIELDS on May 1.

★

Mr. Dan Wall has become general manager at the London branch of NORTH CAROLINA NATIONAL BANK in place of Mr. Jurgen Strasser, who is returning to head office. Mr. Ralph Rosen is appointed vice president and manager, foreign exchange and money in London and Mr. Peter Searson chief dealer, foreign exchange.

★

UK PETROLEUM INDUSTRY ASSOCIATION has elected Mr. S. D. Watkins (Shell) as its president, in succession to Mr. D. G. Milne (BP) who has retired. Mr. T. E. Cottrell (Texaco) is vice president and Mr. P. J. M. Wilson (Chevron) treasurer. All three are managing directors in their respective companies.

OVERSEAS

MIDLAND BANK INTERNATIONAL has opened a representative office in Mexico City with Mr. Juan Manuel Fernandez as representative. He was previously the Mexico representative of London American Finance Corporation, a member of the Midland Bank Group.

★

Mr. Ron Worden has been appointed the NATIONAL WESTMINSTER BANK'S representative in Sydney. Since 1979 he has been an assistant regional manager in the Asia and Australasia regional office based in London. He succeeds Mr. Roger Bartin who returns to the UK on completion of his tour of duty. Mr. Reg Bamber has been appointed the bank's representative in Moscow. Since 1974 he has been manager, Deptford branch, London.

★

The CHICAGO BOARD OPTIONS EXCHANGE has appointed Mr. Gregory M. Hryb as director, New York Market Development.

★

Mr. Antony Verrico has been appointed director of sales for DE HAVILLAND AIRCRAFT OF CANADA. Formerly regional sales manager, Far East, Mr. Verrico succeeds Mr. Ed McCullough, who has retired.

★

Mr. Walter Psaila has been promoted to senior vice-president in the money management division at the headquarters of UNITED CALIFORNIA BANK, Los Angeles.

★

Lieutenant - General Hans Joachim Mack of the German Army has become Deputy Chief of Staff, Plans and Operations at SUPREME HEADQUARTERS ALLIED POWERS EUROPE (SHAPE). He replaces Lieutenant-General Lothar Domroese, who has retired.

★

Mr. Harry Wardle has been appointed UK projects director of W. H. SMITH AND CO. ELECTRICAL ENGINEERS, a subsidiary of Staveley Industries. Mr. Ken S. Ludlam, formerly responsible for both the UK and general overseas projects, will now concentrate on business overseas.

CONTRACTS

£1m order for copper tube plant

The HEAD WRIGHTSON MACHINE COMPANY, Middlesbrough, a Davy Corporation company, has won an order worth more than £1m from IMI Yorkshire Imperial for a drawbench complete with handling equipment to be used in the manufacture of copper tubing at their Kirkby (Lancs) works.

Head Wrightson is to supply a 45 tonne pull double draw drawbench with a draw length of 78 metres, together with storage, transfer, coiling and cut to length equipment to handle 57 tubes per hour. The draw length, said to be one of the longest in the world, calls for specially designed equipment to minimise damage to the tubes and to operate within strict noise levels. The equipment is scheduled to go into production in early-1982.

★

COLT INTERNATIONAL is to install a distributed computing network and has placed an order valued at £1m with INTERNATIONAL COMPUTERS for the computer systems and software. The order comprises five ME29 computers, one System Ten 120 computer which will be used for stock control and requirements planning purposes, and six 7700 information processing systems, which integrate both word and data processing. The computer network will link Colt's regional offices in Glasgow, Manchester, Southam near Birmingham and Molesey in Surrey with the company's central headquarters and main manufacturing centre at Havant, Hampshire.

★

The OSEL GROUP, Great Yarmouth, has received orders worth over £1m to supply four complete Mantis systems. Mantis is a one man one atmosphere submersible designed and built by the company, which also produces the complete handling system for its operation. This comprises a launch arm or frame, a winch with control station, and an operator's cabin. The system is used for rig support work, salvage operations and underwater inspection. Mantis can operate at a depth of 610 metres. The four systems are to be supplied to Scan-Dive A/S, IUC International, HMB Subwork and Santa Fe International.

★

A project definition study for an automated command and control information system for the Royal Air Force Strike Command has been awarded to CSC UK COMPUTER SCIENCES COMPANY by the Ministry of Defence. The study will be carried out by a joint team from CSC UK and EASAMS. Based on automatic data processing, the system will be used by Strike Command in both its national role and its NATO role. The study, with a contract value exceeding £1m, is due for completion in early-1982.

★

EXEM (LIGHTING), Crewkerne, is supplying explosion-proof lighting equipment worth more than £450,000 to Marathon Oil UK for the Brae A production platform in the North Sea. The equipment consists of 2030 non-emergency, explosion-proof luminaires, 840 emergency for the topside facilities, and 336 emergency for the accommodation modules. Exem is a subsidiary of CEAG AG, of Dortmund.

★

PERMUTIT-BOBY has been selected to supply sea water treatment plant on a North Sea oil field. Conoco (UK) has ordered five skid-mounted Varivoid filters, worth about £350,000, for waterflood enhanced oil recovery duties on its Hutton Field tension leg platform project. The five filters will have a combined service flowrate of 206,775 gallons/hour. Under normal operating conditions the filter battery will remove 98 per cent of all solids between 2 and 50 microns, producing high quality water.

Four building societies based in the North of England have placed orders with INTERNATIONAL COMPUTERS for computer systems to handle their mortgage and investment accounting, general ledgers and administration. They are Accrington Savings and Building Society, Hyde Building Society, Otley Building Society and Padiham Building Society. All have ordered an ICL System Ten 120 computer and a special software package for the small to medium sized societies. Total value is about £130,000.

★

Work will start soon on strengthening the 19th century bridge which carries the A10 over the River Cam in Magdalene Street, Cambridge. The £544,000 contract has been awarded to A. MONK & COMPANY. The work is due to be completed in the spring of 1983. The bridge, which was constructed in 1823, will be strengthened internally so that the external appearance will remain unchanged. A temporary bridge will be erected to maintain traffic flow.

★

CMR ELECTRONICS (a S. Jerome and Sons (Holdings) subsidiary) has been awarded a £500,000 contract (as a sub contract to Palmer/EAE) to provide the public address and audible alarms, PABX telephones, intercom and entertainment systems for use on Marathon Oil Company's new Brae Field Platform in the North Sea.

★

ANGLOCO, Batley, has won two contracts for fire appliances worth a total of over £600,000. The company is supplying seven machines value over £300,000, to the West Yorkshire Metropolitan County Council's Fire Service and another seven similar machines to Greater Manchester Council Fire Service.

★

For the North Sea Maureen field platform under construction at Hunterston, the Merseyside firm CAPPER NEILL STEEL PRODUCTS, has won a £295,000 order to construct two upper docking pile guides, the widest and heaviest it has ever made. Each docking pile will weigh 110 tonnes and measure 7.6 metres in diameter, 10.3 metres in length and stand 4.8 metres high. When attached to the main offshore oil rig, the docking piles will act as a locater for the main pile to go through and anchor itself onto the sea bed.

★

MARCONI COMMUNICATION SYSTEMS, a GEC-Marconi Electronics company, has gained two orders worth more than £120,000 for digital field synchronizers. Both orders were placed with Marconi by the British Broadcasting Corporation, which will use them in studio and outside broadcast applications.

★

PLESSEY CONTROLS, Poole, has been awarded a contract by the London Transport Executive to supply a public address and integrated communication system for the Underground railway system. The system will provide information to passengers from three central control rooms. Plessey will initially provide the necessary equipment for 120 of the 248 London Transport stations. Each will be provided with public address facilities and closed circuit television control. From the central control office, access will be available for the Line Controller to use or supplement the local facilities provided at each station for announcements by platform personnel. Further, he can select from his desk closed circuit television cameras at the stations for viewing on his TV monitors and broadcast on the PA system.

★

CONTINENTAL MICROWAVE, Dunstable, has received an order worth almost £900,000 from the Independent Broadcasting Authority for television transposer equipment, to form part of the transmitter network for the fourth TV channel.

★

The corporation of the City of Leeds has placed an order valued at £708,000 with YOUNGMAN SYSTEM BUILDING (part of the SGB Group) for a 3,266 square metres three-storey office building at Sweet Street, Leeds.

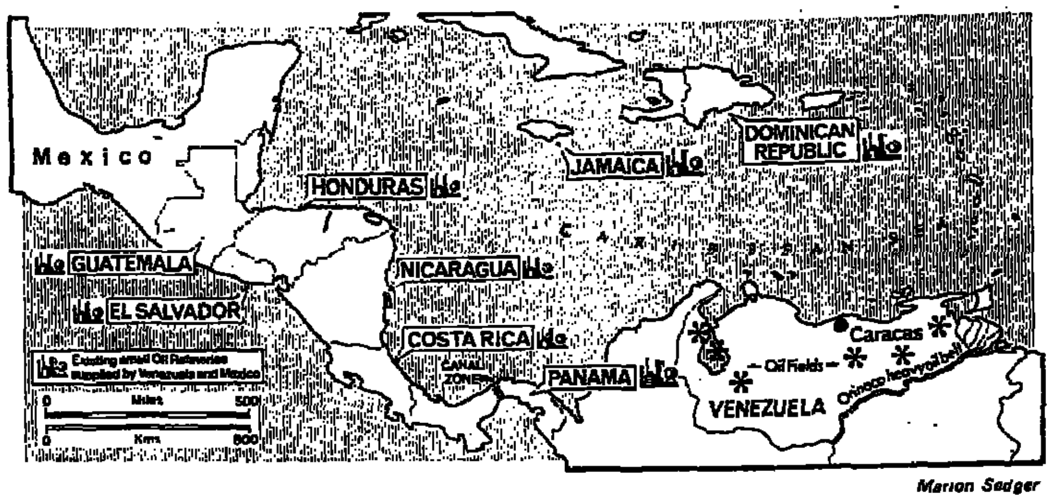
★

Following trials of ULTRA ELECTRONIC CONTROLS' programmable control and sequencing system at Aberthaw power station in South Wales, the South Western Region of the Central Electricity Generating Board has decided to retrofit its nuclear power station at Hinkley Point in Somerset with UEL controls, worth over £250,000 with spares. They will be used to control the Rolls-Royce Olympus 17½ MW gas turbine generating sets which provide electrical power for the station in the event of main generator and grid failure.

Energy Review: Venezuela's oil supply strategy

By Kim Fuad in Caracas

A diet of heavier oil for refiners



Marion Sedger

VENEZUELA, A major supplier of Caribbean oil needs, hopes to centralise refining in the area as part of its new marketing strategies.

The South American oil producer currently exports, along with Mexico, some 160,000 barrels-per-day of oil to Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, the Dominican Republic and Jamaica, with special facilities for financing 30 per cent of the average $35-per-barrel cost.

Most of the oil is reconstituted crude, a mixture of crude and refined oil required by the region's small refineries for yielding a high rate of gasoline and other light products. Venezuela, however, is running short of the light crudes required for the mixture which now represents about a quarter of its 19.5bn barrels of proven reserves. Moreover, Venezuela needs them to cover its own growing domestic requirements for transport fuels.

Oil industry officials say that, with large volumes of heavy oil available, both in traditional oil fields and in the Orinoco heavy oil belt, Venezuela's new oil marketing strategies are focused on selling more heavy oil. This means that refineries both in Venezuela and in the Caribbean must adjust to a diet of heavier oil.

"We want to unify refining capacity in the Caribbean," reversing a past history of small, uneconomical refineries in individual regional countries. "No site has been chosen yet for centralising refining in the area, but we have spoken to a number of countries and they agree on the need for a change. Once we have achieved full agreement, we will move to concrete action," according to an official oil industry source.

What Venezuela and Mexico seek is the means to fulfil their supply commitments to Central American and Caribbean countries as economically as possible. Rather than supplying high-cost reconstituted crude to individual refiners, they hope to concentrate refining at a single point in the region and later ship refined products, such as gasoline, to consumers. A centralised refining unit would also allow for installation of more advanced processes to convert abundant heavy crude from Mexico or Venezuela into light products, instead of relying entirely on scarce light crude.

The eight countries now enjoying the benefits of the Venezuelan - Mexican supply agreement signed by the Presidents of the two countries last year, have an overall installed refining capacity of approximately 200,000 b/d. Panama, which has an 82,000 b/d refinery which is largely dedicated to export, leads the group, followed by the Dominican Republic and Jamaica which have about 30,000 b/d capacity each. The remaining five nations have small refineries with capacities ranging from 10,000 to 17,000 b/d.

Marketing experts at Petroleos de Venezuela, the State oil monopoly, foresee recurring gluts in supply over the next few years and are preparing for ups and downs in exports which averaged 1.8m b/d last year, almost 10 per cent less than 1979 levels.

While Venezuela is the most vunerable of the members of the Organisation of Petroleum Exporting Countries (OPEC) to fluctuations, because around a quarter of its exports is residual fuel oil, the exports figures showed that its crude prices have been more stable than those of many OPEC countries.

"We have taken diversification about as far as it can go," one expert said. By the mid-1980s, major changes are expected to take place. In Venezuela, the country's 1.5m b/d refining capacity is being overhauled to reduce the current 60 per cent residual fuel oil yield, in order to produce more valuable light products through conversion processes.

"By 1988, we will have moved progressively toward more long-term, heavy oil supply agreements instead of the current one- to two-year accords. This new style will call for our clients to go into deeper conversion processes in their refineries. So far, our clients in the U.S.—which gets about half of Venezuelan exports—and Canada have expressed their willingness to do this," said Sr. Alirio Parra, international marketing director of Petroleos de Venezuela.

While this implies major investments in new refining facilities, the incentive is provided by Venezuela's secure, long-term supply plus moderate and predictable pricing policies, officials say. "There is really no alternative in view of expected constraints on supply in the future. Moreover, conversion processes will give refineries greater flexibility, since excess supplies of residual fuel oil can be converted into needed lighter products."

With few exceptions, refining capacity in industrialised countries is geared to primary processing of light oil, which has a very high yield of gasoline and other light products. For heavy crudes, which have a low primary yield of light products, additional processing is required to transform the high yield of residual fuel oil into light products through use of catalytic conversion and other systems.

The trade-off for offering long-term supply is Venezuela's need for technological help in processing its heavy oil. "We hope to get technology at its lowest possible cost in return for security of supply." This means that in the future Venezuela will be mainly interested in large clients which can provide technology, rather than smaller purchasers.

Late last year, Petroleos signed a five-year supply accord with Elf-Aquitaine, with the partly State-owned French oil company committed to building a special refinery in France to process the heavy, 10 gravity API crude which it will get at a rate of 35,000 b/d.

Petroleos is now holding talks with West Germany, Spain and Italy, as well as private U.S. oil companies.

At present, heavy crude makes up about a third of Venezuelan output which was running at around 2.1m b/d in mid-January. Production of light crudes—about 30 per cent of the total—is expected to decline sharply in the coming years and will have to be replaced by more heavy oil from traditional fields as well as the tapping of the huge potential from the Orinoco oil belt which is believed to offer between 700bn and 3 trillion (million million) barrels.

FINANCIAL HEALTH RESTORED

Litton set for defence boom

BY IAN HARGREAVES IN NEW YORK

AS BAD news makes headlines and stays more deeply in the memory than good news, Litton Industries is probably best known for its years of quarrelling with the U.S. Navy about cost over-runs on a huge warship order. Eventually Litton set aside $332.6m to end the dispute in June 1978, leaving it with a $96.7m loss for the year to July 31.

The event is worthy of recall because today, Litton, healthier financially than at any time in its 28-year history, is almost certainly about to embark upon another major programme of warship construction in response to President Ronald Reagan's determination to rejuvenate the U.S. Navy.

But Mr. Fred O'Green, who joined Litton as president eight years ago after a successful stint with Lockheed, shows no anxiety on the subject.

Fixed price defence contracts, of the kind which Litton signed on the 30-ship order in 1969, have gone the way of all casualties of inflation, to be replaced by a variety of the cost-plus performance-bonus deal. Although Mr. O'Green commented that his own view of the ideal contractual relationship was not necessarily shared by Pentagon procurement officials, he said bluntly: "We are not going to do it the old way. We will turn down the contracts first."

Coming from the company which built two-thirds of all the combat ships delivered to the Navy between 1975 and 1980, that is tough talk.

Mr. O'Green says, however, that at this point the projected increase in defence outlays of the Reagan Administration is a source of confidence rather than hard promises and he is not prepared to forecast the impact on sales. But he agrees it should be substantial not only for its shipyards but the electronic systems operations which supply equipment for several combat aircraft. It also has a contract for the navigation systems for cruise missiles.

But Mr. O'Green has done a lot more than improve Litton's *relationship with the Pentagon.* In his eight years as chief operating officer — number two to the company's founder, Mr. Charles "Tex" Thornton — he has taken Litton through the second stage of the typical conglomerate cycle of diverting unhealthy or irrelevant businesses, identifying core themes for the organisation and building on strengths.

Litton Industries, slimmed to its core operations and with its financial health restored, is back on the trail of defence contracts and suitable acquisitions and plans to increase sales by an average of 12 per cent annually over the next five years

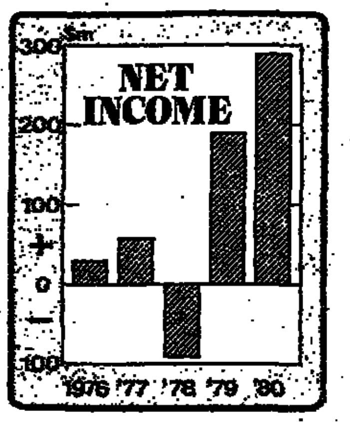
Mr. Thornton spent the 1960s expanding Litton with a vigour which wowed Wall Street into driving Litton stock to a high in 1967 of $91.55 per share, 47 times earnings.

But like many other such efforts the Thornton portfolio proved ungovernable, with top management spending its time fighting fires in problem subsidiaries.

The weeding process is probably still not quite complete, but *certainly the big decisions have been taken.* Triumph-Adler, the German typewriter company, was sold to Volkswagen for a $63m capital gain last year. Then, in January this year, Litton sold its publishing division to the International Thomson Organisation of Canada for $61m gain.

What is left is a list of diverse companies, ranging from Britain's Landis Lund machine tool company to Sweda, the cash register manufacturer, and from seismic energy research to paper manufacturing.

But for Mr. O'Green, a crucial business logic now binds these activities together. The three prongs of the organisation are defence, energy and productivity and the common thread running through all of them is high technology.



Moreover, Mr. O'Green has got the finances right, and Wall Street again loves Litton, although the stock trading now in the high 60s with a p/e ratio of 10, is still undervalued, given the company's potential, according to some analysts.

The scale of O'Green's achievement can be best illustrated from the inflation adjusted figures given in Litton's annual report. These show that between 1977 and mid-1980 sales fell from $4.57bn to $4.24bn. In the same period, in constant dollar terms, the company's stock value doubled and the return on sales moved *from negative to 6.8 per cent.* Even more impressive, the return on average equity reached 31.2 per cent, a level which is double the average achieved by the 400 industrial companies listed in the Standard and Poor's index.

Several of Litton's businesses now are sitting pretty in sec*tors certain to roar ahead* in the next decade, such as the Western Geophysical seismic unit. All the defence businesses look promising, as does Litton's large machine tools business.

Machine tools in the U.S. are on a moderate but definite downswing at the moment, lagging the recessionary cycle as they traditionally do, but Mr. O'Green says that Litton is still taking orders faster than it is building machines. His strategy for combating foreign manufacturers is to keep Litton at the most sophisticated end of the business, concentrating on designing computer-based machines capable of performing several functions.

Some of Litton's other businesses are on less sure tracks, most notably paper, which is having a poor year, and microwave ovens, which have seen profit margins destroyed by Japanese competitors.

Litton's broad planning objectives—"do not call them forecasts," Mr. O'Green warns—hold out the prospect of 12 per cent a year average growth in sales for Litton in the next five years.

"Being big is not important," says Mr. O'Green, underscoring a view which has underpinned his goal of making assets work rather than merely sprout. But Litton, without a doubt, is going to get bigger.

Goodrich sees first quarter downturn

By Our Financial Staff

OPERATING profits at B. F. Goodrich, the tyre and chemical group, are expected to fall sharply in the first quarter, largely because of poor prices for PVC products, of which the company is the major producer in the U.S.

Net earnings may show a gain over the $20.3m of the comparable period but this will reflect a $17.9m profit on the exchange of debentures for convertible preferred stock.

Earnings will not exceed the $22.7m of last year's final quarter, said Mr. John Ong, chairman, indicating that operating profits for the first quarter could be less than $5m. The results will be announced on April 20.

Mr. Ong said the major difference *in operating results was in the performance* of the company's chemical group. Operating rates for polyvinyl chloride resins have improved in recent months but prices for PVC products remained low during the quarter.

"PVC prices historically have lagged changes in de*mand so we are optimistic* that construction activity will not decline and that this segment will improve in the second quarter," he said.

*Results from tyre manufac*turing, generating about 25 per cent of total profits, are expected to show higher operating profit than a year *earlier, but the engineered* products group earned less than in the 1980 first quarter.

Last year, Goodrich earned $82.6m or $4.89 a share after an upturn in the final quarter. Two weeks ago, the board said it hoped to raise $100m this year by selling "peripheral and low return assets," which would help finance $300m capital spending plans for this year. Cash flow from operations was not expected to finance all expenditures, and certain projects, notably PVC expansion, might be deferred, the board said.

White Motor sells Canadian truck operation

By Our Financial Staff

WHITE MOTOR Corporation, the U.S. truck and farm equipment group operating under Chapter 11 of the bankruptcy laws, has completed the sale of its Canadian truck operations and has reached agreement on the sale of its Australian subsidiary.

Nova, an Alberta gas distribution and oil and gas *exploration concern,* and Bow Valley Industries, an oil and gas exploration group with industrial interests, have bought White Motor Corporation of Canada for an undisclosed sum through Bow Valley Resource Services, a jointly owned company. The joint company will assemble White Western Star trucks at the Kelowna, British Columbia, plant and sell Western Star and other U.S.-made White trucks in Canada and the U.S. White Canada was placed in receivership after the parent filed for Chapter 11 protection.

In Australia, White has reached agreement with Silchester Holdings Pty, a privately owned Brisbane-based company, for the sale of White Motor Corporation (Australia) Pty. The deal is subject to approval by White's board, the U.S. Bankruptcy Court in Cleveland *and review by White's U.S.* creditors.

MacMillan bid success seen by BCRIC

By Our Financial Staff

BRITISH COLUMBIA Resources Investment Corporation (BCRIC) is confident of success in its increased offer for effective control of MacMillan Bloedel, the largest forest products group in Canada, Mr. Bruce Howe, president of BCRIC said in Vancouver yesterday. Noranda Mines, the rival bidder for MacMillan, announced yesterday that it would make a statement over the weekend on whether it would alter its present offer.

Both companies are offering C$56 a share for control of MacMillan, but BCRIC's offer is in cash for 6.2m shares, while Noranda is offering a mixture of shares and cash for 8.9m shares.

When asked what BCRIC would do if Noranda increased its rival offer for MacMillan, Mr. Howe said: "We would have to consider what action would be appropriate under those circumstances."

If BCRIC's bid was successful, then the company would have "slightly more debt than I would like," and that a financial restructuring would be considered by the board, he added. One possibility would be to create more common stock and also some preferred shares, of which the company has none at present.

INTERNATIONAL CAPITAL MARKETS

Alcoa Australia launches $50m fixed rate bond

BY FRANCIS GHILES

A $50m 10-year issue for Alcoa of Australia was launched yesterday through Credit Suisse First Boston, the third fixed interest dollar bond issue to be announced in 24 hours. This latest issue carries an indicated coupon of 13½ per cent and a price of 94¾-95. The final issue price will be set to give investors a yield to final maturity of around 14½ per cent.

This Alcoa issue is the third to be offered with a deep discount in the issue price. Two weeks ago the Australian Resources Development Bank and the European Investment Bank arranged issues with similar deep discount features. Investors are more attracted by bonds trading at a discount than at a premium and the lead manager can thus expect keen buying interest, even when the secondary market price of the bond is higher than its launch price.

The three dollar issues launched since Wednesday morning have been well received, which suggests that issues of reasonable size which offer a good return to investors will attract support. Observers were suggesting yesterday that other issues could well be launched today or early next week. Secondary market prices of fixed interest dollar bonds were firm yesterday in relatively thin trading.

The $60m 15-year convertible for Hospital Corporation of America which is being arranged through Salomon Brothers was increased to $80m and the final coupon set at 8¾ per cent yesterday. The final terms confirm the issue's good reception.

The 10 per cent bond to 1991 for the Council of Europe launched in the D-Mark sector on Wednesday was well received. About 70 per cent of the issue has been earmarked for German investors.

Innovative element in Korea Ex-Im credit

BY JOHN MAKINSON

THE KOREA Ex-Im Bank has obtained a $400m Eurocredit through a two-tranche arrangement. Part of the operation will set a precedent.

The innovative feature of the deal, co-ordinated by Chemical Asia Limited, the Hong Kong merchant banking subsidiary of Chemical Bank of the U.S., is a $200m note purchase facility whereby participating banks will buy from Korea Ex-Im Bank notes of that face value issued by the foreign purchasers of Korean exports.

The notes carry fixed interest rates and final maturity of between 6 and 9½ years. Because banks need to fund themselves on a floating rate basis, however, the facility incorporates an interest rate equalisation arrangement.

Under this arrangement, Ex-Im will compensate the banks to the extent that the interest rate on the notes falls below London inter bank offered rates plus ⅜ per cent. If Libor plus ⅜ per cent falls below the interest rate on the notes the same arrangement will apply in reverse.

The low margin of ⅜ is made possible by the bank guarantees making the notes not principally a Korean risk. The Korean risk is confined to the interest rate subsidy. The effect of the note purchase facility is to reduce Ex-Im Bank's loan portfolio by $200m.

The front-end fee on this tranche is ⅜ per cent, which is unusually high for a credit carrying a ⅜ per cent margin, and is a result of the complexity of the scheme.

The second tranche is also for $200m, but is much more straightforward. It runs for eight years, with three years' grace, and the margin is ⅝ above Libor with a ⅝ per cent front-end fee.

TRW looks for steady growth on year

By Our Financial Staff

IN SPITE of the business downturn TRW, the diversified Cleveland-based industrial group, is confident of another good year of sales and earnings growth although first quarter results are unlikely to show much change from those for the same period last year.

For the whole of 1980 TRW earned $211.9m or $5.69 a share, on sales of $4.98bn with the first three months contributing profits of $47.9m or $1.30 a share, on sales of $1.2bn.

Mr. Ruben F. Mettler, the chairman, noting that TRW's capital spending increased 30 per cent to $259m in 1980, said it is expected to again rise by about 30 per cent, to about $340m in 1981.

He expects each of TRW's three business segments—car and truck, electronics and space systems, and industrial and energy—to report higher sales and earnings for 1981.

Myer lifts interim payout on higher earnings

BY OUR SYDNEY CORRESPONDENT

MYER EMPORIUM, the Melbourne-based company, which is Australia's largest department store chain lifted its earnings 12.2 per cent to A$25.45m (US$29.7m) in the six months to January 31, from A$22.68m *in the first half of 1979-80.* For the first time since 1977, the company is lifting its interim dividend, from 5 cents to 5.5 cents a share.

Sales in the half were up 12 per cent, from A$672.53m to A$751.97m (U.S.$839m). Profit rose 11.8 per cent, from A$42.97m to A$48.03m before tax of A$22.58m, compared with A$20.39m.

The result does not include extraordinary profits of A$2.02m, compared with A$440,000 of which A$1.1m came from the sale of supermarket operations in New South Wales and Queensland.
MACH 51

The group is investing more than A$32m on a shopping centre in Albury, in southern New South ales, seven Target supermarkets and five Target discount stores.

Flat dividend from Weeks after sharp rise in profit

BY ALAN FRIEDMAN

WEEKS PETROLEUM, the Bermuda-registered energy company is managed from Connecticut in the U.S. and pays its dividends in Australian cents, increased its net income from US$6.8m to US$11.46m in the year to December 31. Weeks earns most of its revenue from its Australian royalty interests, primarily in the Bass Strait.

The company's revenue for last year totalled $22.5m against $17m in 1979. Its interest payments declined to $846,000 from $1.3m the previous year. Weeks is capitalised at around £250m ($566m) and is traded with a full listing on the London Stock Exchange and in Sydney and Melbourne.

The company maintained its dividend payment at 3.15 Australian cents per share, but this was only paid to holders of the convertible preferred ordinary shares for 1980 and not ordinary shares.

Weeks has interests in the East China Sea, South Korea and Japan as well as in Australia. It is also engaged in an exploration programme in the U.S.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday, April 14.

Closing prices on April 2

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	*Change on day	week	Yield
Amoco 13¼ 88	75	96¾	97¼	−0⅛	+0¼	13.93
CECA 11½ 88	100	89¼	89¾	+0⅛	+0¼	13.90
CNE 12¾ 91	100	93¼	93¾	0	+0½	13.98
Citicorp O/S Fin. 10 88	300	85¾	86¼	−0⅛	+0⅞	13.90
Citicorp O/S Fin. 12 87	200	92	92½	0	+0⅛	13.83
Con. Illinois O/S 9¾ 86	150	84⅞	85⅛	−0⅛	+0⅞	13.97
Denmark 11¾ 90	100	86½	87	+0⅛	+0⅞	14.42
Dupont Canada 13½ 91	65	97⅛	97⅝	−0⅛	+0¼	13.99
EEC 11 95 (May)	75	82⅜	82⅞	+0⅛	+1⅛	13.85
FEC 11 95 (August)	70	80⅝	81⅛	+0⅛	+0¼	14.21
FIB 13¾ 90	100	97⅞	98⅜	0	+0⅜	14.11
Eksportfinans 9½ 87	75	82¾	83¼	0	+0⅞	13.67
Finlorado 13¼ 85	50	96¾	97¼	−0⅛	+0⅛	14.12
Elec. de France 10 88	125	83⅛	83⅝	+0⅛	+0½	13.74
Elec. de France 13 88	125	96¼	96¾	−0⅛	+1⅛	13.79
Export Dv. Con. 12¾ 87	100	95	95½	−0⅞	−0⅛	13.93
Export Dv. Con. 9¼ 86	150	84⅛	84⅞	−0⅛	+0⅞	14.10
Fed. Bk. D. 12¾ 85 (N)	50	94⅜	94⅞	0	+0⅞	13.84
Fin. Exp. Credit 10½ 85	50	87¼	87¾	−0⅛	+0½	14.61
Finland, Rep. of 9½ 86	100	82¾	83¼	−0¼	+0⅝	14.54
Ford Credit O/S 14⅞ 83	150	99⅝	100⅛	+0⅛	+0⅛	14.58
Ford Cr. O/S Fin. 15 84	150	103⅞	104⅛	+0⅛	+0⅜	14.10
Gaz de France 13½ 86	80	99	99½	−0⅛	+1⅛	13.68
GMAC O/S Fin. 12 87	100	90¼	90¾	−0⅛	−0⅛	14.29
GMAC O/S Fin. 12⅞ 88	100	92¾	93¼	−0¼	+0¼	14.53
Gen. Mtrs. O/S 11⅞ 87	100	89⅞	90⅜	+0⅛	+0⅜	14.11
GTE Fin. 13¾ 88 (WW)	50	99½	100	+0⅛	+0⅛	13.78
Hudson's Bay 11½ 90	75	86⅞	87⅜	0	+1⅛	14.05
IBM Wld. Trade 12¾ 88	200	96⅛	96⅝	−0⅛	+0½	13.32
Newfoundland 13½ 90	80	96¾	97¼	−0⅛	+0⅛	14.09
Nova Scotia 10¾ 90	50	82¾	83¼	0	+0⅞	14.12
OKB 10 85	50	88½	89	−0⅛	+0¼	13.59
Ontario Hydro 13½ 91	100	97	97½	0	+0⅞	14.01
Quebec Hydro 11½ 92	100	85½	86	−0⅛	+1	14.08
Queb. Hy 13 91 (WW)	100	94¼	94¾	−0⅛	+0⅛	14.04
Rowlease 11¼ 85	50	91¼	91¾	−0⅛	+0⅝	14.02
SNCF 12¾ 85	50	96⅜	96⅞	−0⅛	+0⅞	13.47
SNCF 13 91	75	94¾	95¼	−0¼	+0⅛	13.97
Sven Handelsbk 13¾ 88	45	98⅜	98⅞	−0⅛	+0⅛	14.54
Sweden 12¾ 85	150	95⅛	95⅝	−0⅛	+0⅞	13.69
Swed. Ex. Credit 12 83	50	94½	95	0	+0⅝	14.55
Swed. Ex. Credit 13 86	75	95⅛	95⅝	−0⅛	+0⅛	14.38
Tribune O/S Fin 14 86	50	98⅝	99⅛	+0⅛	+0⅛	14.24
World Bank 9¾ 85	200	87⅞	88⅛	−0⅛	+0⅝	13.61
World Bank 10¼ 87	300	85⅞	86⅜	−0⅛	+0½	13.68
Average price changes... On day −0⅛ on week +0⅝						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asia Dev. Bk 8¾ 90	100	91	91½	+0⅛	+0¾	9.79
Australia 8½ 90	250	95½	96	+0⅛	+1⅛	8.83
Austria, Rep. of 8¾ 92	150	89⅜	89⅞	0	+0¼	9.80
CECA 7⅞ 92	150	88⅜	88⅞	0	+0⅞	9.56
CECA 10 91	120	102½	103	+0⅞	+0¾	9.57
CII-Honeywell 8¾ 90	125	91⅞	92⅜	+0⅛	+0⅝	9.70
FIB 8½ 90	200	92¼	93	+0⅛	+0⅞	9.70
EIB 10½ 91	200	103	103½	+0⅛	+0⅞	9.95
ESCOM 9¾ 87	100	94½	95	−0⅛	+0⅜	10.39
Iberduero SA 9 90	100	93⅜	93⅞	+0¼	+2⅜	10.09
Ind. Bk. Finland 8½ 90	50	90½	91¼	+0⅛	0	10.01
Int.-Amr Dv Bk. 10 91	100	100½	101	−0⅛	+0⅛	9.83
Japan Air Lines 8⅝ 87	100	92⅞	93⅜	0	0	9.53
Japan Dev. Bank 7⅝ 87	100	90⅜	90⅞	0	0	9.66
Kobe, City of 8 90	100	90½	91¼	−0⅛	+0⅞	9.52
Midland Int. Fin. 8½ 90	180	93⅜	93⅞	−0⅛	−0⅛	9.55
Nuclebras 9¾ 88	100	89	89½	0	+1	11.95
OKB 8¾ 92	150	89⅝	90⅛	+0½	+0⅛	9.74
Oslo, City of 8¾ 90	80	96⅜	96⅞	−0⅛	0	9.34
Venezuela, R. of 9¾ 90	150	94⅞	95⅜	−0⅛	+0½	10.59
World Bank 8 90	700	88⅞	89⅜	+0⅛	+0⅜	9.80
World Bank 10 88	150	101½	102¼	−0⅞	−1⅛	9.51
World Bank 10 90	200	100⅝	101⅛	0	−1⅛	9.78
Average price changes... On day +0⅛ on week +0⅛						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Austria, Rep. of 5¾ 90	100	91⅝	91⅞	−0⅛	−1⅛	6.57
BFCE 6½ 91	100	101⅝	101⅞	+0⅛	+0½	6.25
Bayer Int. Fin. 5⅞ 92	100	†91¼	91¾	−0⅞	+0¼	6.31
Bergen, City of 6 90	50	†96	96½	−0⅛	−1⅛	6.56
Buhrm'n-Tetterode 7 90	40	†101½	102	0	0	6.73
Copenhagen Tele 5¾ 90	60	†91	91½	+0⅛	−0½	7.04
Denmark 5¾ 90	80	92⅞	93	+0⅞	+1	6.81
Dome Petroleum 5¾ 91	100	95½	95¾	+0⅛	+0⅛	6.36
Elet. de France 5¾ 90	100	†93½	94	+0⅛	+1	6.13
Eurofima 5¾ 92	80	99½	99¾	+0⅞	−0⅛	5.79
F. G. H. Hypo. Bk. 6 90	50	†96⅞	96¾	+0⅛	0	6.51
Finland, Rep. of 5¾ 90	80	†91½	92	+0½	+0⅛	6.84
Int.-Amer. Dev. 7 90	80	†100	100½	−0⅛	−0⅛	6.96
Japan Dev. Bank 5¾ 90	100	94¾	95	+0⅛	+0⅛	6.48
Jutland Tele. 5½ 90	50	†90	90½	0	−0¼	7.01
Mt. Blanc Tunnel 5½ 90	60	92½	92¾	−0⅛	−0⅛	6.57
Neweg 5¾ 90	80	95	95½	+0⅞	+2	6.44
Norges Komm. 4¾ 91	100	84¾	85	+0⅛	+0⅞	6.39
OKB 6 90	100	96½	96¾	+0⅞	+0⅛	6.51
Oslo, City of 4¾ 91	100	81⅝	82	+0¼	+0⅞	6.84
Oslo, City of 5⅞ 90	80	93½	93¾	+0⅛	−0⅞	6.80
Philips Lamps 5¾ 92	100	91¾	91½	0	+0⅛	6.34
Sekisui Pre. Hms. 6 90	30	†97	97½	−0½	−1	6.40
Trade Dev. Fin. 6¼ 90	50	†95¼	95¾	−0⅛	−0⅛	6.78
Voest-Alpine 5¾ 90	80	93	93¼	0	−0¼	6.75
World Bank 6 91	100	†95	95½	0	−0⅛	6.67
Average price changes .. On day +0⅛ on week +0⅞						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia 5.6 83	30	93¾	94¾	0	0	8.42
Australia 6½ 88	20	87¼	88¼	0	0	8.91
EIB 7¾ 88	12	93¾	94¾	0	+0⅛	8.73
Finland 5.6 83	10	92⅞	93⅞	0	+0½	8.77
Finland 6.8 88	10	87⅞	88⅞	0	+0⅛	9.71
Finland, Rep. of 8½ 87	15	97⅞	98⅞	0	+0⅛	8.72
Average price changes... On day 0 on week +0¼						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Bell Canada 10¾ 86 C$	60	90⅞	91½	0	−0⅛	13.10
CIBC 13½ 85 C$	50	97⅜	97⅞	0	−0⅞	14.31
CIBC 11½ 85 C$	60	90⅞	91½	+0⅛	−0½	14.47
Federal Dev. 11¼ 90 C$	60	†85¼	86¼	0	+0⅛	14.34
Fst Can Inv. 10 84 C$	50	†88⅞	89½	0	+0⅞	14.55
R. Bk. Canada 10 86 C$	40	91½	92½	0	+0½	12.17
Tordom Cpn. 13½ 85 C$	30	†97⅞	98	0	−0⅞	14.27

	Issued	Bid	Offer	Change on day	week	Yield
M. Bk. Dnmk. 9 91 EUA	25	90	91½	0	−0⅛	10.47
SOFTE 8¾ 89 EUA	40	85½	86½	0	−1⅛	10.93
U. Bk. Nrwy. 9½ 90 EUA	18	96⅛	98	0	−0⅛	9.95
Algemene Bk. 10¾ 86 Fl	60	97½	97⅞	+0⅛	+1	10.89
Bk. Mees & H. 10 83 Fl	75	97½	98	−0⅛	+0⅛	10.64
Heineken NV 10 87 Fl	100	95⅜	95⅞	+0⅛	+0⅛	10.98
Nat. Nedrlndn. 10 83 Fl	80	95⅛	95⅝	+0⅛	+0⅜	10.95
Ned. Midd. Bk. 10 85 Fl	75	98⅛	99⅛	0	+0⅛	10.29
Pierson 10¾ 85 Fl	50	96⅛	96⅝	+0⅛	+0⅛	10.88
Aero Paris 13¾ 87 FFr	150	94	95	+0⅛	+0⅛	14.45
Charb'nages 13¾ 85 FFr	400	98⅛	99⅛	0	−0⅛	14.20
CECA 14¼ 86 FFr	150	99⅞	100⅞	−0⅛	−0⅛	14.29
EIB 14¼ 88 FFr	300	98⅞	99⅞	0	0	14.39
Gaz de France 11 84 FFr	150	91½	92½	0	−0⅛	13.97
La Redoute 14¾ 85 FFr	125	96½	98½	+0⅛	0	15.57
OKB 14 86 FFr	400	98⅞	99⅞	0	−0⅛	14.27
Solvay et Cie 14¾ 85 FFr	200	101⅞	102⅞	0	−0⅞	14.04
Utd. Mex. Sts 14 85 FFr	150	96¾	97¾	0	+0⅞	14.39
Acona 14 85 £	20	96	96¾	+0⅛	+0⅛	15.07
Beneficial 14¾ 90 £	20	92¾	93¾	+0⅛	−0⅞	15.60
BNP 13½ 91 £	15	96½	96⅞	0	0	14.15
CECA 13½ 88 £	20	96⅜	96⅞	−0½	+0⅛	14.21
Citicorp O/S 13½ 90 £	50	95⅞	96⅜	0	+0⅛	14.25
Fin. for Ind. 14½ 88 £	20	99⅝	100⅛	+0⅛	+0⅛	14.45
Fin. for Ind. 13¾ 87 £	20	97⅞	98⅜	+0⅛	+0⅛	14.15
Gen. Elec. Co. 12¾ 89 £	50	93⅞	94⅜	+0⅛	0	13.72
Peugeot SA 14 90 £	23	94⅞	95⅛	+0⅛	0	15.01
Rothschild 14¾ 90 £	12	97⅞	98⅛	+0⅛	0	14.88
Royal Trustco 14 86 £	12	98⅛	99⅛	−0⅛	−0⅛	14.24
Swed. Ex. Cr. 13¾ 86 £	20	†98⅛	98⅞	+0⅛	−1	14.14
Banobras 8¾ 90 KD	7	†91½	92	0	+2	9.66
CCCE 8½ 91 KD	10	†82½	83	0	0	11.07
Sonatrach 8½ 90 KD	12	†94	94½	0	+2	9.48
Akzo 9¾ 87 LuxFr	500	82⅞	83⅞	−3⅛	−6	13.29
Eurotom 9¾ 88 LuxFr	500	85½	86½	−2½	−5⅞	12.99
Eurofima 10½ 87 LuxFr	500	87½	88½	−4⅞	−7⅛	13.32
EIB 9¾ 88 LuxFr	600	85⅞	86⅞	−3⅛	−5½	12.81
Volvo 9¾ 87 LuxFr	500	85	86	−0⅛	−3½	13.12

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	99½	100	2/7	16⅝	16.67
Bank of Montreal 5¼ 90	0¼	99½	100¼	18/6	19⅛	19.50
Bank of Tokyo 5¼ 89	‡0¼	98⅞	99⅜	25/4	19.31	19.48
BBL Int. 5 86	0¼	99½	100	20/5	16⅞	16.94
Bergen Bk. A/S 6 89	‡0¼	†98⅞	99⅜	29/5	17⅛	17.32
BNP 5¼ 88	‡0¼	99½	100	29/4	18.69	18.73
CNT 5¾ 86	‡0¼	99½	100	16/4	13⅛	13.28
Christiania Bk. 5¼ 91	‡0¼	97⅞	98⅛	5/5	17⅞	18.11
Citicorp O/S F. 84	‡0	99	99½	30/4	15.44	15.55
C. Ilmh 5¼ 87	0¼	99⅝	99⅞	18/9	15.44	15.50
Co-operative Bk. 6 86	0¼	97¾	98¼	15/5	15⅛	15.56
Den Norske Credit 6 90	‡0¼	98⅞	98⅞	5/5	17⅞	18.09
Genfinance 5¼ 87	0¼	99½	99⅞	30/4	15⅛	15.22
Giro und Bank 5¼ 91	0¼	97⅞	98⅜	23/6	14.06	14.35
GZB 5¼ 89	‡0¼	98⅞	99⅜	1/5	17⅞	18.03
Ind. Bank Japan 5¾ 87	0¼	99½	99⅞	15/4	13.31	13.40
Ind. Bank Japan 5¾ 88	0¼	98⅞	99⅛	9/4	13⅛	13.24
Lloyds Eurofin 8 90 £	0¼	97	97½	3/7	14⅛	14.91
Lloyds Eurofin 5¼ 92	0¼	98⅞	99⅜	4/6	17⅛	17.42
LTCB Japan 5¾ 88	0¼	100⅛	100⅛	13/6	20.19	20.09
Man. Hanov. O/S 5¼ 94	‡0¼	98½	99	30/5	17	17.22
Midland Intl. Fin. 5¾ 92	0¼	98⅞	99⅜	5/6	17.18	17.34
Nacional Fin. 6½ 86	0¼	99½	100½	25/7	17⅛	17.77
Nacional Fin. 5½ 88	0¼	98⅛	98⅞	26/9	14⅞	15.10
Nat. Bk. Canada 5¼ 88	0¼	98⅛	98⅞	24/9	5⅛	5.33
Nat. West. 5¼ 94	‡0¼	97⅞	98⅛	14/4	13⅛	13.50
Nat West. 5¼ 92	‡0¼	98	98½	23/4	13.69	13.93
Nippon Credit 5¼ 87	‡0¼	99½	100	6/5	17.44	17.48
Soarebanken 6 87	0¼	99⅝	100⅛	19/6	19⅛	19.88
Standard Chart. 5¼ 90	0¼	99½	100⅛	3/9	17.06	17.08
Svenska Hndlsbk. 5 87	0¼	99½	100⅛	15/7	17.81	17.83
Average price changes... On day 0 on week +0⅛						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	98⅞	99⅞	+1⅛	19.69
Canon 8⅞ 95	1/81	829	125⅞	126⅞	+0⅛	6.13
Credit Suisse 4¾ 93	10/79	1278	96⅜	98⅜	−0⅛	1.60
Digicon Fin. 8½ 95	10/81	29.5	†106½	108	+2⅛	7.69
Ina Overseas 8½ 2000	4/81	42	†106	107½	+0⅛	4.27
Inchcape Ltd. 8 95	2/81	4.55	97⅞	98⅞	+0⅛	−2.02
Jaccs 7½ 95	11/80	565	133⅞	134⅞	−1⅛	13.03
Kotobukiya Co. 7 96	4/81	619	†101½	102½	0	−2.46
Marion Int. Fin. 9 95	12/80	15.6	†89	90	+0⅛	18.06
Matsushita El. 7½ 95	11/80	590	120	121	−0⅛	−3.51
MEPC 8¾ 96	2/81	2.47	102⅛	103⅛	+0⅞	8.82
Niigata Eng. 7½ 96	1/81	327	†108⅞	109⅞	+0⅛	9.82
Nissho-Iwai Co. 8 96	10/80	398	88	90	−0½	12.38
Ricoh 6¾ 95	8/80	604	122⅞	123⅞	+1½	1.36
Sumitomo M. Ind. 7 95	2/81	181	†123⅞	124⅞	+1⅛	4.80
Swiss Bk. Cpn. 6⅞ 90	9/80	200	82⅞	84⅞	−0⅛	11.54
Taylor Woodrow 8⅞ 90	1/81	4.94	107⅞	108⅞	+0⅞	0.98
Tokyu Land Cpn 7¾ 96	4/81	325	†97	98	−0⅞	1.47
Transco Int. 8¾ 95	2/81	68	†90	91	+0⅛	36.76
Tricorp 8½ 95	12/80	31.25	†90½	91½	+0⅞	13.18
Union Bk. Switz. 5 89	2/80	121.4	82⅞	83⅞	0	−12.48
Fujitsu 5 84 DM	7/79	431.5	153⅞	154⅞	+2⅛	−0.83
Sharp Cpn. 6½ 88 DM	9/80	595	158⅞	159⅞	+0⅛	−0.47
Uny Co. 6½ 83 DM	11/79	878.3	103⅞	104⅞	+0⅛	8.21

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Strong advance by Credit Lyonnais

By Our Paris Staff

NET PROFIT of Crédit Lyonnais, the nationalised French bank, increased by 60 per cent last year in spite of the Government's strict curbs on credit growth, which were strongly criticised yesterday by M. Claude Pierre-Brossolette, the bank's chairman.

The bank's non-consolidated net earnings climbed to FFr 476m ($95m) from FFr 297m. This was after a tax provision of FFr 576m, compared with a tax charge of FFr 331m the previous year. An exceptionally heavy FFr 1.67bn was set aside for risks, to cover both bad debts and the depreciation of portfolio holdings.

M. Pierre-Brossolette said that the profit increase, which followed a sharp improvement last year, stemmed mainly from the high interest rates prevailing on the French and other markets, aided by the bank's efforts to restrict operating costs.

The improvement was more evident abroad than in France, where the bulk of the bank's lending operations were subject to a maximum increase of 3.5 per cent. The increase in the restricted category of loans would this year be less than 1 per cent as a result of tighter rules, he said.

By contrast, loans made in France in foreign currencies — which fall outside the curbs — increased by 68 per cent last year.

M. Pierre-Brossolette argued that the system—which the bank's experts reckon will limit the increase in its domestic lending in French francs this year to around 1.5 per cent—was not realistic. "It is a mechanism that is going to break down," he declared.

The bank's lending, in France and abroad, rose almost 20 per cent last year to FFr 172bn.

Matra agrees on joint venture with Intel

BY DAVID WHITE IN PARIS

MATRA of France and Intel of the U.S. have agreed on a joint venture in the field of electronic components, an important new step towards the French Government's goal of building up the industry. The new venture is now awaiting formal approval by the French authorities. The extent of the Government's financial contribution has been one of the main sticking points in the negotiations.

The Government is already understood to have given its verbal consent to the scheme finally drawn up between the two companies.

Marking an extension of the Government's current three-pronged components programme, the scheme involves a joint research company which would be controlled by Matra Harris Semiconducteurs, in turn controlled by Matra in collaboration with Harris of the U.S. At a later stage, Matra Harris, set up in late-1979 and which recently started production near Nantes in western France, would manufacture Intel products under licence.

Intel's contribution, like Harris's, is likely to consist solely of know-how, although the French side originally insisted on a financial input, reportedly of $40m.

The agreement will give Matra access to Intel's technology in high-capacity N-MOS circuits, for which a new production facility is to be built at the Nantes site. For Intel, the agreement will give access to the French market for its direct exports from the U.S. which will later be replaced by licensed production of its circuits at Nantes.

Matra Harris, aiming at the telecommunications, motor and data-processing industries, has been anxious to widen the range of its technology, originally restricted to C-MOS circuits. Plans for increased output of these products have already been changed under a fresh agreement with Harris covering bipolar circuits.

The French Government is likely to put up a large share of the finance for the new research unit.

Recovery at Banco di Napoli

BY RUPERT CORNWELL IN ROME

A STRONG recovery at Banco di Napoli, Italy's seventh largest bank, after its problems of recent years is underlined by the 1980 results. These show an 86 per cent rise in gross earnings to L241bn ($250m), while total deposits climbed over 21 per cent to L14,500bn.

The near doubling of gross profit has not been fully reflected at net level, where earnings rose 28 per cent to L4.5bn ($4.2m). But it has allowed a large increase in provisions for, risk and other factors, to which the Banco di Napoli is peculiarly exposed, given its importance and responsibilities in the economy of depressed southern Italy.

The recovery in the bank's fortunes, and its inevitable strategic role in the earthquake reconstruction programme, has lent special urgency to the efforts under way to find a new managing director.

Traditionally the bank has been dominated by the Christian Democrat Party. But a row over the nomination of Sig. Beniamino Andreatta, the Christian Democrat treasury minister, led at one stage to a public threat by Sig. Rinaldo Ossola, the bank's president and former chairman of the Group of Ten Industrialised Nations, to resign.

The signs now, however, are that the argument will be peaceably settled, and that a mutually agreeable compromise can be reached.

The performance of Banco di Napoli has been matched by the results of other major Italian banks. Cariplo, the Lombardy savings bank and largest credit institute of its kind in Europe, reported a jump in net earnings to L24.3bn in 1980 from L20bn.

Total funds administered by Cariplo climbed to over L25,000bn ($24bn) at the end of last year, from L22,600bn 12 months earlier.

The biggest jump, however, was registered by Banca Catolica del Veneto, the fast-growing member of the Ambrosiano financial group headed by Sig. Roberto Calvi. Net earnings of L50bn in 1980 (compared with L24.7bn in 1979) mean that it is probably the most profitable of all major Italian banks. Its dividend goes up to L300 a share from the previous L260.

Credit Suisse acquisition

By John Wicks in Zurich

A 75 PER CENT shareholding in the Zurich-based Bank fuer Handel und Effekten, specialists in international commercial transactions, is to be acquired by Credit Suisse. The deal, the cost of which is not disclosed, brings the number of Credit Suisse's bank and finance-company holdings in Switzerland itself up to 15.

At the end of last year Bank fuer Handel und Effekten's balance-sheet total was of SwFr 310m ($161.4m) and capital resources amounted to SwFr 26m. Net profits in 1980 were SwFr 3.5m ($1.82m).

ABV dividend increased as earnings top forecast

BY WESTERLY CHRISTNER IN STOCKHOLM

PRE-TAX PROFIT of ABV, Sweden's second largest construction group, increased 14.5 per cent in 1980 to SKr 87m ($19m). This exceeds management forecasts in October, by SKr 2m. Group turnover rose 16 per cent to SKr 4.9bn ($1.06bn), despite an estimated SKr 20-25m loss arising from last spring's national labour disruptions.

The board recommends a dividend of SKr 6.50 a share, an increase of SKr 1.25 a share on the 1979 payment. The AGM is scheduled for June 16, when Mr. Sune Braser officially takes over as managing director from Mr. Carol-Olof Ohlsson, who guided ABV's international expansion drive during the 1970s.

The group's 1980 result corresponds to a pre-tax yield on total capital employed of 6.1 per cent, against 5.6 per cent. Group worth, it was stated, was somewhat affected by a "substantial" expansion in property investments. ABV has considerable real estate holdings, reported to be worth some SKr 650m.

Group liquid assets dipped to SKr 503m last year from SKr 536m. The improvement in last year's profit was attributed to a large increase in the parent company's operating earnings and "further strengthened" financial management.

Order intake in 1980 reached a record SKr 3.49bn, a rise of SKr 808m. The volume of orders on hand at the end of last year amounted to SKr 5.56bn, against SKr 4.33bn a year earlier.

Release from reserves lifts Roussel Uclaf

By Our Paris Staff

A GAIN in consolidated net profit is reported by Roussel Uclaf, the French pharmaceuticals concern. Last year's figure totalled FFr 132m ($26m), up from FFr 107m in 1979 but only after including a reserve set aside at the time of the 1973-74 oil crisis.

Without this reserve, designed to compensate for possible price increases, profits would have dropped to FFr 101m, according to provisional figures.

The group, which is controlled by Hoechst of West Germany, boosted its turnover to FFr 5.3bn, an increase of more than 17 per cent.

This figure includes the sales of the U.S. sunglasses company, Foster Grant, which Roussel Uclat took over from its parent company in September last year. Without this acquisition, the sales increase would have been a more modest 12.4 per cent.

Cash flow for the year advanced by 3 per cent to about FFr 298m. Spending on research and development was increased by 19 per cent to FFr 445m, while fixed investments were cut by 12 per cent to FFr 218m.

The parent company raised its net profit to FFr 97.5m from FFr 70.3m, but said the result would have been no more than FFr 77m without the inclusion of the 1974 reserves. Cash flow was virtually unchanged at FFr 195m.

The company is proposing a net dividend of FFr 10.50 a share, up from last year's FFr 9.50.

Cooper Basin LPG for Japan

BY OUR SYDNEY CORRESPONDENT

THE PARTNERS in the South Australian Cooper Basin have furthered the major liquids scheme there with the signing of a letter of intent to sell about U.S.$375m worth of liquified petroleum gas to Japan.

Santos, as lead partner, yesterday announced the signing of a letter of intent with Idemitsu Kosan for the supply of 1.25m tonnes of LPG. It will be delivered over five years, starting in 1984.

LPG is currently selling on world markets for around U.S.$300 a tonne, but it is probable that the Cooper Basin partners would have achieved a slightly higher average price than this over the life of the contract.

Idemitsu, a leading Japanese oil distributor, was one of four companies which negotiated with Santos on an LPG contract.

Assuming the letter of intent is converted to a contract, it would probably mean that Santos would be exporting about 75 por cent of likely LPG production from the Cooper Basin.

The Cooper Basin is expected to have a capacity of about 300,000 tonnes of LPG a year and yesterday's announcement suggests annual sales to Idemitsu of 250,000 tonnes a year.

Esso-BHP already exports LPG to the Mitsui group of Japan from its Bass Strait operations, and although the size of these exports has not been disclosed, they are believed to be much larger than those proposed by the Cooper Basin partners.

Linde forecasts tough year

By Stewart Fleming in Frankfurt

A MUCH more difficult year in 1981 is predicted by Linde, the West German mechanical engineering and process plant group, after the 10.8 per cent rise to DM 128.8m ($61.3m) in pre-tax profits for 1980 when sales rose from DM 2bn to DM 2.2bn.

The company says in reference to 1981 that the prospects for an early recovery from the current economic weakness will appear only when, in particular, the currently blocked plans for investment in power station construction, are pushed through.

Linde has expanded rapidly in the past ten years and built up a leading market position in areas of plant construction, and material handling equipment, especially fork lift trucks and industrial gases.

CSR to sell Thiess construction arm to Hochtief led group

BY OUR SYDNEY CORRESPONDENT

CSR, the sugar, mining and industrial group, is to sell the construction arm of Thiess Holdings to a consortium of Australian and international companies, including its previous owner, Sir Leslie Thiess.

The consortium, which will be chaired by Sir Leslie and consists of Hochtief, the West German civil engineer, Sir Leslie's family company, Drayton Investments Pty. and Westfield Holdings, the property developer, is understood to be paying between A$55m and A$60m for the CSR's division's assets, excluding debtors. The debts, as at April 1, are estimated to be more than A$30m.

The composition of the group gives the German company a 50 per cent slice, with Drayton and Westfield, which were part of the British Petroleum led consortium which successfully tendered for Queensland's Winchester South coal deposit, taking 25 per cent stakes.

CSR gained control of Thiess in a bitterly fought A$465m takeover in 1979, but last year it announced it had been approached by Sir Leslie with a view to its selling back the local construction division.

The agreement covers only the plant, land and buildings associated with the local construction arm's operations, and excludes the group's extensive coal mining operations, interests in undeveloped coal and mineral resources, and overseas operations.

Arrangements are to be made with the consortium to complete work in hand, which is now approaching A$400m. Some of the projects now being undertaken include Victoria's Loy Yang power station, the Tarong power station and the Wivenhoe dam in Queensland.

BAII Middle East ahead

BY MARY FRINGS IN BAHRAIN

BAII (MIDDLE EAST) has announced a 1980 profit of US$1.5m in its fifth annual report—the last time the bank appears as a company registered in Panama.

From January 1 this year, all asset and liabilities were transferred to BAII (Middle East) EC, a Bahrain exempt company. The bank is a wholly-owned subsidiary of Compagnie Arabe et Internationale d'Investissement, whose shareholders are Arab Banks and investment companies, and a number of major U.S. and European concerns.

The issued capital of the bank was doubled in December by the subscription of a further US$5m, and shareholders funds at the year-end amounted to US$18.9m, against US$12.6m at end 1979.

Mr. Gerald Tedder, the managing director said 1980 had been a year of solid if unspectacular progress.

Property side lifts Swire Pacific

By Adrian Boven in Hong Kong

CONTRIBUTIONS from a very successful property subsidiary, and the sale of three aircraft helped the Swire Pacific Group to report profits after tax and minorities for 1980 of HK$458m (U.S.$86m), some 39.7 per cent higher than the HK$327.9m of 1979. There was however an extraordinary loss of HK$8.2m from the write-off of an unsuccessful chemical plant.

The final dividend is 43 cents per 'A' share and 8.6 cents per 'B' share, making totals of 60 cents per 'A' share and 12 cents per 'B' share, both 17.6 per cent up from 1979.

The result marked a substantial improvement from the interim stage when the group's profits of HK$87.2m were less than half the previous year's interim earnings of HK$177.6m.

However, of the total HK$341.4m came from Swire Properties, which is building a massive residential estate on Hong Kong Island and earlier reported a 112 per cent improvement in 1980 profits to HK$505m. In addition, an estimated HK$100m came from the difference between the sale price and the written-down book value of the two Boeing 707s and one Lockheed 1011 sold during the year by the group's airline subsidiary, Cathay Pacific.

Mr. Duncan Bluck, the chairman, said Cathay Pacific operated in the red in 1980 but the most severe losses came in the first half. The second half showed improvements because of increased operating efficiency, the relative stability of fuel costs, improved load factors, and the strengthening of the Japanese yen, in which much of the airline's business is denominated. He said Cathay is now operating profitably again.

He added that the group's *industries division recorded* stronger growth in the second half and turned in profits for the year of about HK$40m, much better than in 1979 despite the problems of the chemical plant. Shipping and offshore services benefitted from improved markets and also improved in the second half.

Mr. Bluck said prospects for the group as a whole are good for 1981 with Swire Properties expected to make an appreciably larger contribution to profits and Cathay Pacific expected to continue operating profitably.

He also announced that the group's estimated net asset value rose by 35 per cent to HK$11.86 per "A" share and HK$2.37 per "B" share as a result of an annual evaluation of the market value of Swire Properties' investment properties.

BANKING IN THE UAE

Islam wrestles with Mammon

BY KATHLEEN BISHTAWI IN SHARJAH

THE BANKING community in the United Arab Emirates has been sharply reminded recently *that it does after all operate* in an Islamic society, where in theory the charging of bank interest is strictly *haram* (forbidden).

To the Prophet Mohammed and all Muslims, interest and usury are the curse of human society—over the last 12 months a few western businessmen might have agreed with him. "The curse of Allah be upon the person who takes interest," says the Prophet in the Holy Sayings, the Hadith, adding that the charging of interest is 70 times worse than the sin of *committing incest with one's* mother.

Indeed the Prophet was reported to have felt so strongly about the matter that he once threatened to go to war with a neighbouring tribe for their practice of making money out of money.

For years, nevertheless, the Gulf merchant community has functioned on the assumption that without interest the wheels of commerce and banking would not function at all. Indeed, they are adept at shopping around for the most *favourable rate, frequently* playing one bank off another, and are as knowledgeable about dollar and sterling rates as any international businessman.

Yet in the UAE the subject is, officially, quietly brushed under the carpet, and apart from the emergence in the past five years of Islamic banking, which has been given all official encouragement, little has been done to stop local and foreign banks from effectively charging interest, sometimes under another name. In Saudi Arabia, the mother country of Islamic lore, the banks have to disguise it as commission on profit.

In Qatar, where the Government has attempted to keep *domestic rates to less than* 7 per cent, the result has been an outflow of money from the country resulting in a severe tightening of liquidity.

However, when international interest rates soared last year to 20 per cent and more, domestic lending rates in the Gulf also went up, and as rates went up, so the disputes began. Over the last year or so, the UAE has witnessed a spate of legal cases between banks and their clients when borrowers have attempted to avoid paying interest on religious grounds.

In the UAE there are two kinds of courts—the civil courts which deal with all commercial disputes, and the Islamic Shaaria courts which deal largely with personal matters and criminal cases. The UAE Constitution, however, states that the basis of all law in the country is that Islam and the Koran. In the past this had *rarely caused a conflict in the* civil courts, until the question of bank interest emerged. Claimants in such cases have argued that as the basis of all law is the Koran, any such contracts which include interest provisions are unenforceable in law and therefore null and void. Judges in previous cases have had little option but to agree, though some have called for contracts to be fulfilled. The discrepancies in verdicts caused increasing nervousness among bankers and judges who hesitated to pronounce decisions which contradict the laws of Islam.

However, now the UAE is experiencing a test case involving a nephew of the Dubai ruler and six UAE and international banks. Some two years ago Sheikh Mohammed bin Khalifa al Maktoum borrowed US$16m to finance in part the construc*tion of a shop and office com*plex. The spread at the time was a substantial 2.25 per cent above the London inter-bank offered rate, reflecting the banks' attitude to property investments.

However, when rents took a tumble, the payments on principal and interest stopped coming, and the syndicate of banks met to consider the matter. However Sheikh Mohammed pre-empted their decision by issuing a writ in Abu-Dhabi, calling for a rescheduling of his loan and exemption from the interest accrued, basing his case on religious grounds.

When international interest rates went up, so did rates *in the Gulf*, and so the disputes began. Over the last year or so the UAE has *seen a spate of legal cases* between banks and their clients, as borrowers have *attempted to avoid paying* interest, on religious grounds.

In view of the patchy and confusing record on the matter of bank interest, a definitive ruling was sought by the local bankers' association from the UAE Government. It came shortly before the Abu Dhabi case was due to begin, in the form of a declaration to the local press from the UAE central bank chairman, Sheikh Surour bin Mohammed al Nahayan. He stated that *in* future all disputes between banks and their clients should be handled by the civil courts in the UAE, and that if a contract existed between the two parties it could be enforced.

An almost audible sigh of relief was heard from the banking community which had become increasingly nervous about lending to the UAE at all. However as legal experts here point out, it is the right of any Muslim to have his case heard in an Islamic court—and no Muslim Government could obstruct that eventuality. Furthermore, the Justice authorities are now understood *to have called a meeting of all* judges in the UAE to discuss the tricky question, and to have told them to use their own discretion in any future interest cases. In the past, anyway, it has been the civil courts which have ruled out interest payments on religious grounds.

The wheel could turn full circle, with bank interest accepted, the declaration by Sheikh Surour is being interpreted as an oblique nod of the head for banks to go ahead and charge interest. Some, however, *are questioning* whether it is enough to make a declaration to the press. Bankers would naturally prefer something in writing, such as an official decree, but this is highly unlikely to be made, in view of the sensitivity of the subject.

A great deal will hang on how the authorities handle the case in Abu Dhabi concerning the young Dubai sheikh. Ironically, the lead manager of the deal which will be acting on behalf of the other five banks, is the National Bank of Abu Dhabi, the largest bank in the UAE. *The banks have, in turn taken* legal action in the High Court in London over the alleged question of non-payment of interest and principal on the loan.

Bankers in the Gulf are now saying that the banks involved intend to pursue the case to the point of starting bankruptcy proceedings against the Sheikh *in the UAE. "They intend to* take his building, his palaces, everything," said one. That too, would be an embarrassing first, for never has an Arab sheikh been declared a bankrupt. Never, either, has a building been confiscated in a bankruptcy case.

With such case and counter case pending, UAE bankers can *only watch and hope the* decision goes not only in their favour, but also ends the question of bank interest once and for all. "If it doesn't, then we'll be brought to our knees," said one gloomy banker.

Metals prices boost Degussa

BY STEWART FLEMING IN FRANKFURT

DEGUSSA, the West German precious metals, chemicals and pharmaceuticals group, has reported a sharp rise in sales revenues and earnings for the financial year ended September, 1980. But in the first half of its current financial year poorer economic conditions have resulted in a weaker profits performance.

In 1979/80, mainly because of a sharp rise in its metals business and the advantage taken of fluctuations in precious metals prices, world-wide sales revenues increased to DM 8.6bn ($4.09bn) from DM 6bn, which included an increase to DM 5.9bn from DM 3.5bn in the turnover of its metals operation.

In contrast, the sales of its chemicals companies rose only 6.3 per cent to DM 2.6bn.

Group profits rose to DM 68m ($32.38m) from DM 50m during the year. In view of the improved earnings the company has announced its intention to increase its dividend for shareholders from DM 8.50 to DM 9 a share.

One factor contributing to the relatively strong performance of the group was that the financial year took in the fourth quarter of 1979, a period of lively economic activity, but omitted the final quarter of 1980 when the business cycle was weakening. In contrast, therefore, the first half of the 1980-81 financial year covers a period of difficult trading.

The company has not disclosed profits figures for this period but points out that sales revenues in chemical operations are up by no more than 3.5 per cent in the parent company, a rate of increase which indicates that the company has been unable to recover through price increases the extra costs of raw materials.

The company says that in the current year it has not been able to achieve the levels of profitability reached in the previous financial year's first half, although the parent company's turnover increased by 47.1 per cent.

First-half downturn for New World Development

BY OUR HONG KONG CORRESPONDENT

NEW WORLD Development, one of Hong Kong's larger property development companies, has reported profits after tax and minorities for the six months to December 31 of HK$84.06m (US$15.9m), down 33 per cent from the HK$126m of the same period last year. However, there was an extraordinary gain of HK$7.02m and the company has raised the interim dividend to 9 cents a share from 7 cents.

The directors attributed the decline in profits to high interest rates and to the company concentrating recently on the construction of investment properties rather than on development properties intended for sale. They said interest and depreciation costs during the period came to HK$60.7m, some 86 per cent higher than in the same period of 1979.

To meet the cash needs for completion of a new hotel and *the remaining stages of a com*mercial development, New World has sold three low yielding properties for a total of HK$868m, which is to be fully *paid by July. But it has also* committed itself to paying HK$68.4m for interests in ten development sites.

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CURRENCIES, MONEY and GOLD

Dollar improves

Dollar advanced slightly in very thin foreign exchange trading. The market was generally very quiet, but the U.S. currency rose to its best levels of the day towards the close, reflecting buying interest from New York and Chicago. Buying of dollars may have increased ahead of the weekend as a safeguard against any deterioration in the Polish situation, while Eurodollar rates were slightly firmer on the day.

Sterling eased slightly against major currencies in general, and lost ground to the strengthening dollar.

European currencies lost ground to the dollar, including the D-mark, which showed little change at the top of the European Monetary System. The Belgian franc weakened within the EMS, remaining outside its alarm bell divergence limit, as the weakest member of the system.

DOLLAR — trade-weighted index (Bank of England) rose to 100.2 from 100.0. The U.S. currency touched a peak of DM 2.1120 against the D-mark, before closing at DM 2.1090, compared with DM 2.1030 previously. It rose to SwFr 1.9240 from SwFr 1.9210 in terms of the Swiss franc, and to Y213.90 from Y212.20 against the yen.

STERLING — trade-weighted index (Bank of England) fell to 100.1 from 100.2, after opening at 100.1 and easing to 100.0 at noon. The pound opened at $2.2400-2.2410 against the dollar, and touched a high point of $2.2430-2.2440 in the morning. The improvement of the dollar pushed sterling down to $2.2260-$2.2270 in the afternoon, and it closed at $2.2285-2.2295, a fall of 1 cent on the day. Sterling eased to DM 4.7025 from DM 4.71 against the D-mark, and to SwFr 4.29 from SwFr 4.3050 against the Swiss franc.

D-MARK—One of the strongest members of the European Monetary System, helped by a sharp rise in West German interest rates and the introduction of a special Lombard facility. Previously the D-mark had been depressed by high foreign interest rates, and a continuing balance of payments deficit. Tension over Poland remains a market factor—The D-mark improved against most currencies at the Frankfurt fixing, with the dollar little changed at DM 2.0965 compared with DM 2.0966, up slightly from the opening level of DM 2.0920. Trading was very thin in the absence of any new developments, and Eurodollar and Euromark deposit rates were steady, although short term dollar deposits were firmer later in the day. As expected there was no change in credit policy at the Bundesbank council meeting, while the decline in German unemployment last month had no impact on the market. Sterling eased to DM 4.6900 from DM 4.7010 at the fixing, but the Swiss franc rose to DM 1.0963 from DM 1.0943.

JAPANESE YEN—Remaining fairly firm thanks to Japan's strong economic performance, but slightly weaker against the dollar in recent weeks following the mid-March cut in the Japanese discount rate—The yen eased slightly in fairly active Tokyo trading. The dollar rose to Y212.60 from Y211.95, but fell from the opening level of Y213.00, and touched a peak of Y213.10. Speculation spread through the market that U.S. interest will fall in the near future, leading to a fall in the value of the dollar. This made operators reluctant to take out large positions under the present circumstances.

THE POUND SPOT AND FORWARD

April 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2280-2.2440	2.2285-2.2295	0.35-0.45c dis	−2.15	1.15-1.25dis	−2.15
Canada	2.6320-2.6520	2.6345-2.6355	1.00-1.10c dis	−4.78	2.76-2.90dis	−4.29
Nethlnd.	5.18-5.23	5.21¼-5.22¼	1c pm-par	1.15	2⅝-1½ pm	1.44
Belgium	76.70-77.15	77.00-77.10	120-140c dis	−20.25	150-180 dis	−8.56
Denmark	14.75-14.81	14.77½-14.78½	1⅛-2⅞ore dis	−1.67	7¼-9¼ dis	−2.32
Ireland	1.2880-1.2950	1.2900-1.2915	0.10-0.23p dis	−7.53	0.60-0.75dis	−2.09
W. Ger.	4.69½-4.71½	4.69¾-4.70¾	¼pf pm-⅞ dis	−0.32	⅜-⅞ dis	−0.53
Portugal	125.80-126.90	126.00-126.20	5c pm-70 dis	−3.09	par-180 dis	−2.85
Spain	190.00-190.80	190.25-190.45	50-80c dis	−4.10	165-220 dis	−4.04
Italy	2,337-2,343	2,340-2,342	13¾-15¾ lire dis	−7.58	44-47 dis	−7.77
Norway	12.00-12.05	12.00-12.01	1½-⅞ore pm	0.94	1½ pm-½ dis	0.10
France	11.06-11.12	11.09¾-11.10¾	1-2c dis	−1.62	3¾-4¼ dis	−1.53
Sweden	10.23-10.28	10.23½-10.24½	2¼-3¼ore dis	−3.15	6½-7¼ dis	−2.68
Japan	474-478	476-477	2.05-1.75y pm	4.78	5.50-5.20 pm	4.49
Austria	33.15-33.30	33.20-33.25	4gro pm-1 dis	0.54	8 pm-2 dis	0.36
Switz.	4.27-4.30	4.28½-4.29½	2¼-1¼c pm	4.89	5¼-4¼ pm	4.66

Belgian rate is for convertible francs. Financial franc 81.05-81.15. Six-month forward dollar 2.35-2.45c dis, 12-month 4.40-4.60c dis.

THE DOLLAR SPOT AND FORWARD

April 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2260-2.2440	2.2285-2.2295	0.35-0.45c dis	−2.15	1.15-1.25dis	−2.16
Ireland†	1.7270-1.7390	1.7270-1.7300	0.05-0.15c dis	−0.69	par-0.10 dis	−0.11
Canada	1.1808-1.1825	1.1808-1.1811	0.37-0.42c dis	−4.01	0.78-0.81dis	−2.66
Nethlnd.	2.3225-2.3370	2.3280-2.3290	0.83-0.73c pm	4.02	2.25-2.15 pm	3.78
Belgium	34.36-34.58	34.56-34.58	35-60c dis	−16.49	35-60 dis	−5.50
Denmark	6.5925-6.6250	6.6150-6.6165	0.40-0.10ore pm	0.45	0.40-0.90dis	−0.39
W. Ger.	2.0900-2.1120	2.1085-2.1095	0.34-0.28pf pm	1.76	0.94-0.88 pm	1.72
Portugal	56.45-56.80	56.65-56.80	10c pm-20 dis	−1.06	25 pm-50dis	−0.88
Spain	85.08-85.46	85.41-85.46	par-20c dis	−1.40	30-55 dis	−1.99
Italy	1,045-1,051	1,049-1,051	4½-5½ lire dis	−5.72	15-16½ dis	−6.00
Norway	5.3700-5.3800	5.3745-5.3755	1.40-0.90ore pm	2.57	3.00-2.60 pm	2.05
France	4.9450-4.9858	4.9880-4.9850	0.20-0.05c pm	0.30	0.80-0.50 pm	0.52
Sweden	4.5800-4.5925	4.5845-4.5855	0.40-0.60ore dis	−1.31	0.60-0.80dis	−0.61
Japan	212.30-215.00	213.85-213.95	1.35-1.20y pm	7.15	3.55-3.50 pm	6.68
Austria	14.83-14.89½	14.88-14.88½	3.80-2.50gro pm	2.54	11.00-7.50 pm	2.48
Switz.	1.9070-1.9270	1.9235-1.9245	1.03-0.93c pm	6.11	3.00-2.92 pm	6.16

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

April 1	Bank of England Index	Morgan Guaranty Changes%
Sterling	100.1	−26.6
U.S. dollar	100.2	−4.0
Canadian dollar	86.3	−17.1
Austrian schilling	116.9	+23.2
Belgian franc	108.1	+9.8
Danish kroner	89.9	−10.0
Deutsche mark	121.5	+40.4
Swiss franc	135.8	+75.8
Guilder	112.6	+15.5
French franc	87.1	−9.5
Lira	59.8	−54.8
Yen	142.4	+38.1

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 1	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.548082	0.539755
U.S. $	13	1.22858	1.21051
Canadian $	16.69	1.45353	1.43227
Austria Sch.	6¾	18.2420	17.9518
Belgium F.	16	42.1557	41.5477
Danish K.	11	8.10556	7.98935
D mark	7½	2.57583	2.53626
Guilder	9	2.85522	2.81080
French Fr.	9½	6.08086	5.98536
Lira	19	1284.79	1265.28
Yen	6¼	260.582	256.059
Norwgn. Kr.	9	—	6.50285
Spanish Pts.	8	104.502	102.984
Swedish Kr.	12	5.64120	55.5139
Swiss Fr.	4	2.35396	2.31837
Greek Dr'ch.	20½	—	6.19417

OTHER CURRENCIES

April 2	£	$		£ Note Rates
Argentina Peso	6860-6900	3050-3100	Austria	32.95-33.35
Australia Dollar	1.9140-1.9180	0.8605-0.8610	Belgium	80.50-81.30
Brazil Cruzeiro	170.51-171.31	76.15-76.53	Denmark	14.68-14.83
Finland Markka	9.05-9.06½	4.0540-4.0550	France	11.00-11.10
Greek Drachma	113.177-116.049	51.15-51.25	Germany	4.66½-4.71
Hong Kong Dollar	11.85½-11.86½	5.3060-5.3090	Italy	2290-2360
Iran Rial	168.30*	75.20*	Japan	475-481
Kuwait Dinar(KD)	0.611-0.617	0.2743-0.2745	Netherlands	5.17-5.22
Luxembourg Frs.	77.00-77.10	34.56-34.58	Norway	11.98-12.10
Malaysia Dollar	5.1000-5.1120	2.2860-2.2880	Portugal	124-128
New Zealand Dlr	2.4335-2.4385	1.0945-1.0955	Spain	184¾-196½
Saudi Arab. Riyal	7.46-7.52	3.3495-3.3515	Sweden	10.24-10.34
Singapore Dollar	4.6600-4.6720	2.0895-2.0915	Switzerland	4.26-4.30½
Sth African Rand	1.7855-1.7885	0.8010-0.8025	United States	2.21¾-2.23¾
U.A.E. Dirham	8.18-8.24	3.6715-3.6735	Yugoslavia	77¼-82

Rate given for Argentina is free rate. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.5761	+1.90	+1.90	±1.5361
Danish Krone	7.91917	7.98189	+0.79	+0.79	±1.6413
German D-Mark	2.54502	2.53579	−0.36	−0.38	±1.1386
French Franc	5.99526	5.98430	−0.18	−0.18	±1.3638
Dutch Guilder	2.81318	2.81196	−0.04	−0.04	±1.5159
Irish Punt	0.685145	0.695307	+1.48	+1.48	±1.6688
Italian Lira	1262.92	1263.67	+0.06	+0.06	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 2	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.229	4.703	476.5	11.098	4.290	5.218	2341.	2.635	77.05
U.S. Dollar	0.449	1.	2.110	213.8	4.979	1.925	2.341	1050.	1.182	34.57
Deutschemark	0.213	0.474	1.	101.3	2.360	0.912	1.110	497.8	0.560	16.38
Japanese Yen 1,000	2.099	4.678	9.869	1000.	23.29	9.003	109.5	4913.	5.530	161.7
French Franc 10	0.901	2.009	4.237	429.4	10.	3.866	4.702	2109.	2.374	69.43
Swiss Franc	0.233	0.520	1.096	111.1	2.587	1.	1.216	545.7	0.614	17.96
Dutch Guilder	0.192	0.427	0.901	91.33	2.127	0.822	1.	448.7	0.505	14.77
Italian Lira 1,000	0.427	0.952	2.008	203.6	4.740	1.833	2.229	1000.	1.126	32.91
Canadian Dollar	0.380	0.846	1.785	180.8	4.212	1.628	1.980	888.4	1.	29.24
Belgian Franc 100	1.298	2.893	6.103	618.4	14.40	5.568	6.772	3038.	3.420	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 2)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 1/4	offer 14 3/8	bid 14 1/4	offer 14 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	11⅞-11¾	14-14⅛	16-17	8½-9	3-3½	12-12¼	11¾-12	18-20	40-80	6-6½
7 days' notice	11⅞-12⅛	14⅛-14⅜	16-17	8½-9	5½-6	12⅛-12⅜	12-12¼	17½-19½	40-45	7-7¼
Month	12¼-12⅜	14⅛-14⅜	15¾-17⅛	10 1/16-10 3/16	7⅝-7¾	12 7/16-12 9/16	12¾-13	19¼-20¼	32-36	7⅛-7⅜
Three months	12 5/16-12 7/16	14¼-14½	16½-16⅞	10⅜-10½	7¾-7⅞	12 7/16-12 9/16	13-13⅜	19¾-20¾	20½-22½	7⅜-7⅝
Six months	12¼-12⅜	14¼-14½	15⅜-15¾	10⅜-10½	7¾-7⅞	12⅜-12½	13¼-13⅝	19¾-20¾	16½-18½	7⅝-7⅞
One Year	12 5/16-12 7/16	14⅛-14⅜	14⅞-15¼	10 5/16-10 7/16	7⅝-7¾	11⅝-11¾	13⅜-13¾	19½-20½	14½-16½	7¾-8

SDR linked deposits: one-month 12½-12⅞ per cent; three-months 12½-12⅞ per cent; six-months 12½-12⅞ per cent; one-year 12⅝-12⅞ per cent.
ECU linked deposits: one-month 12⅞-13½ per cent; three-months 13¼-13⅝ per cent; six-months 13⅛-13½ per cent; one-year 12⅞-13¼ per cent.
Asian $ (closing rates in Singapore): one-month 14 7/16-14 9/16 per cent; three-months 14⅜-14⅝ per cent; six-months 14 5/16-14 7/16 per cent; one-year 14⅛-14⅜ per cent.
Long-term Eurodollar two-years 14½-14¾ per cent; three-years 14½-14¾ per cent; four years 14½-14¾ per cent; five-years 14½-14¾ per cent; nominal closing rates.
Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.00-14.20 per cent; three-months 14.00-14.20 per cent; six-months 13.90-14.00 per cent; one-year 13.90-14.00 per cent.

INTERNATIONAL MONEY MARKET

German rates steady

Frankfurt call money remained at 12.00-12.25 per cent yesterday, compared with a special Lombard rate of 12 per cent. Longer term rates were mostly firmer up to one year. There were no policy changes announced after yesterday's regular fortnightly meeting of the Bundesbank central council, in line with market expectations. Rumours of a two tier Lombard facility being introduced appeared to be unfounded. Under such a system, commercial banks may have been given an allocation, above which funds borrowed would attract a higher interest rate. At the moment the authorities control money market liquidity on a day to day basis through the special 12 per cent Lombard facility. Yesterday the authorities injected funds into the market by buying DM 5.2bn of securities. While this helped to increase liquidity, the rate was set at 12½ per cent, higher than current market levels.

In Paris call money returned to Tuesday's level of 12½ per cent, itself an eight month high, while longer term rates showed a firmer trend. Interest rates have remained high ahead of the Presidential election, helping to curb speculative currency movements.

In Amsterdam the Finance Ministry accepted bids of Fl 727.4m for the latest batch of five-year 10½ per cent Treasury bills. Payment is due today. Call money yesterday remained at 7-7½ per cent while longer term rates were mostly firmer.

MONEY RATES

NEW YORK	
Prime Rate	17
Fed. Fund	17¾-17⅞
Treasury Bills (13-week)	12.40
Treasury Bills (26-week)	11.95
GERMANY	
Special Lombard	12.0
Overnight Rate	12.125
One month	12.975
Three months	13.50
Six months	13.10
FRANCE	
Intervention Rate	12.5
Overnight Rate	12.125
One month	12.5625
Three months	12.9375
Six months	12.9375
JAPAN	
Discount Rate	6.25
Call (Unconditional)	7.5625
Bill Discount (three-month)	7.40625

UK MONEY MARKET

Further surplus

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Day to day credit remained in good supply in the London money market yesterday, and the authorities took out some of the surplus by selling a moderate amount of Treasury bills direct to discount houses. The market was faced with a moderate number of commercial bills maturing in official hands. This was more than outweighed by a moderate excess of Government disbursements over revenue transfers to the Exchequer, and a moderate amount of Treasury bills maturing outside official hands. In addition banks brought forward balances a moderate way above target. Discount houses were paying around 11½ per cent for secured call loans at the start, with later balances taken at 10-10½ per cent.

In the interbank overnight loans opened at 11⅝-11⅞ per cent and eased through 10¾-11 per cent to close at 10-10½ per cent.

GOLD

Slight rise

Gold rose slightly in calm steady trading yesterday, closing at $519-522 in the London bullion market, a rise of $3 on the day. It opened at $516-519, the lowest level of the day, and finished around the day's peak. The steadier trend has resulted from the slight easing of tension in Poland and the recovery of President Reagan from the assassination attempt.

In Paris the 12½ kilo gold bar was fixed at FFr 85,000 per kilo ($537.30 per ounce) in the afternoon, compared with FFr 85,500 ($537.23) in the morning, and FFr 85,600 ($537.92) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,915 per kilo ($518.03 per ounce) against DM 34,910 ($517.98) previously, and closed at $518-521, compared with $513-516.

In Zurich gold finished at $518-521, against $513-516.

	April 2		April 1	
Gold Bullion (fine ounce)				
Close	$519-522	(£232¾-234¼)	$516-519	(£230¼-231½)
Opening	$516-519	(£230¼-231½)	$515-518	(£229½-230¾)
Morning fixing	$517	(£230.938)	$516.75	(£230.486)
Afternoon fixing	$519.50	(£232.262)	$514.25	(£229.422)
Gold Coins				
Krugerrand	$534-535½	(£239½-240½)	$532½-533½	(£237¾-238¼)
1/2 Krugerrand	$275-277	(£123½-124½)	$275-276	(£122¾-123¼)
1/4 Krugerrand	$140-142	(£62¾-63¾)	$140-141	(£62½-63)
1/10 Krugerrand	$58-60	(£26-27)	$59-60	(£26¼-26¾)
Mapleleaf	$529½-530½	(£237½-238)	$528-529	(£235¾-236¼)
New Sovereigns	$130-131	(£58¼-58¾)	$129¼-130½	(£57¾-58¼)
King Sovereigns	$150-152	(£67¼-68¼)	$149-151	(£66½-67½)
Victoria Sovs.	$150-152	(£67¼-68¼)	$149-151	(£66½-67½)
French 20s	$170-172	(£76¼-77¼)	$170-172	(£76-76¾)
50 pesos Mexico	$643-647	(£288½-290¼)	$641-645	(£286-288)
100 Cor. Austria	$502-507	(£225¼-227½)	$500-505	(£223¼-225½)
$20 Eagles	$630-635	(£282¾-285)	$630-636	(£281¼-283½)

LONDON MONEY RATES

April 2 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ‡	Eligible Bank Bills ‡	Fine Trade Bills ‡
Overnight	—	10-11⅞	11-12	—	—	10¾-12	10-11¾	—	—	—
2 days notice	—	—	12⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11¾-12⅜	12¼-12½	—	12¼	12¼-12½	11½-12	—	—	—
One month	12⅜-12 3/16	12⅛-12⅜	12⅛-12½	13⅜-13	12⅜	12⅝-12¾	11⅞-12	11 13/16-11 11/16	11 13/16-12	13
Two months	12⅝-12½	12 5/16-12 7/16	—	13-12¾	12¾	12⅝-12¾	11⅞-12	11⅝-11 11/16	11 13/16-11⅞	12⅞
Three months	12½-12 7/16	12 7/16-12 9/16	12¼-12⅛	12⅞-12½	12¾	12⅝-12¾	11⅝-11¾	11½-11 7/16	11 11/16-11 21/32	12⅝
Six months	12 1/16-11 15/16	12 7/16-12 9/16	12-12¼	12½-12¼	12⅝	12¾	—	—	11¼	12
Nine months	12⅛-11 15/16	12-12⅛	—	12⅝-12¼	12 7/16	12¾	—	—	—	—
One year	12⅛-11 15/16	11 15/16-12 1/16	12¼	12⅝-12⅛	12½	12⅞	—	—	—	—
Two years	—	—	12½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12¾-13 per cent; four years 13 per cent; five years 13⅛-13⅜ per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-months bank bills 11⅜-11 15/32 per cent four-months trade bills 12⅞ per cent.

Approximate selling rate for one-month Treasury bills 11 9/32-11 13/32 per cent; two-months 11½-11 19/32 per cent; three-months 11⅜-11 15/32 per cent. Approximate selling rate for one-month bank bills 11 23/32 per cent two-months 11¾-11 25/32 per cent; three-months 11⅝ per cent; one-month trade bills 12¾ per cent two-months 12⅝ per cent and three-months 12⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 8 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.5308 per cent.

BA WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 1, 1981. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	44.00
Albania	Lek	4.5049
Algeria	Dinar	3.8325
Andorra	Fr. Franc	4.9462
	Sp. Peseta	85.09
Angola	Kwanza	27.627
Antigua	E. Caribbean $	2.7025
Argentina	Peso	2343.00
Australia	Dollar	0.8582
Austria	Schilling	14.8275
Azores	Port. Escudo	56.67
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is.	Sp. Peseta	85.09
Bangladesh	Taka	15.8575
Barbados	Dollar	2.01
Belgium	Franc (C)	34.27
	Franc (F)	35.71
Belize	Dollar	2.00
Benin	C.F.A. Franc	247.31
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	8.25
Bolivia	Peso	25.00
Botswana	Pula	0.7732
Brazil	Cruzeiro	76.54
Brunei	Dollar	2.087
Bulgaria	Lev	0.87
Burma	Kyat	6.7271
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	247.31
Canada	Dollar	1.1831
Canary Is.	Sp. Peseta	85.09
Cape Verde	Escudo	35.51
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	247.31
Chad	C.F.A. Franc	247.31
Chile	Peso (O)	39.00
China	Renminbi Yuan	1.6294
Colombia	Peso (O)	52.31
Comoros	C.F.A. Franc	247.31
Congo P'ple.Rep.of	C.F.A. Franc	247.31
Costa Rica	Colon (C)	8.57
Cuba	Peso	0.7313
Cyprus	Pound*	2.58
Czechoslovakia	Koruna (O)	5.60
DemRep.SaoTome & Principe	Dobra	36.8353
Denmark	Krone	6.6012
Djibouti Rp. of	Franc	178.15
Dominica	E. Caribbean $	2.7025
Domin. Rep.	Peso	1.00
Ecuador	Sucre	28.10
Egypt	Pound*	1.4493
El Salvador	Colon	2.50
Eq'l Guinea	Ekuele	170.18
Ethiopia	Birr (O)	2.0674
Faeroe Is.	Dan. Krone	6.6012
Falkland Is.	Pound*	2.242
Fiji	Dollar	0.8153
Finland	Markka	4.057
France	Franc	4.9462
Fr. C'ty in Af.	C.F.A. Franc	247.31
Fr. Guiana	Franc	4.9462
Fr. Pac. Is.	C.F.P. Franc	86.0838
Gabon	C.F.A. Franc	247.51
Gambia	Dalasi	1.7841
Germany (E)	Ostmark (O)	2.0972
Germany (W)	Mark	2.0972
Ghana	Cedi	2.75
Gibraltar	Pound*	2.242
Greece	Drachma	51.05
Greenland	Dan. Krone	6.0612
Grenada	E. Caribbean $	2.7025
Guadaloupe	Franc	4.9462
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	35.808
Guinea Rep.	Syli	20.0894
Guyana	Dollar	2.5379
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	5.285
Hungary	Forint	32.55
Iceland	Krona	6.48
India	Rupee	8.25
Indonesia	Rupiah	625.00
Iran	Rial (O)	75.30
Iraq	Dinar	0.2999
Irish Rep	Punt*	1.7407
Israel	Shekel	8.83
Italy	Lira	1045.50
Ivory Coast	C.F.A. Franc	247.31
Jamaica	Dollar	1.7835
Japan	Yen	211.65
Jordan	Dinar	0.3203
Kampuchea	Riel	n.a.
Kenya	Shilling	8.2603
Kiribati	Aust. Dollar	0.8582
Korea (Nth)	Won	0.94
Korea (Sth)	Won	671.20
Kuwait	Dinar	0.2743
Lao P'pls D. Rep.	Kip	10.00
Lebanon	Pound	3.9567
Lesotho	Loti	0.799
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	1.916
Luxembourg	Lux Franc	34.27
Macao	Pataca	5.305
Madagascar D. R.	Franc	247.31
Madeira	Port. Escudo	56.67
Malawi	Kwacha	0.859
Malaysia	Ringgit	2.28
Maldive Is.	Rupee	3.93
Mali Rp.	Franc	494.62
Malta	Pound*	2.8786
Martinique	Franc	4.9462
Mauritania	Ouguiya	49.452
Mauritius	Rupee	8.1382
Mexico	Peso	23.76
Miquelon	Fr. Franc	4.9462
Monaco	Fr. Franc	4.9462
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	4.7981
Mozambique	Metica	28.1891
Namibia	S.A. Rand	0.799
Nauru Is.	Aust. Dollar	0.8582
Nepal	Rupee	12.00
Netherlands	Guilder	2.3247
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.0911
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	247.31
Nigeria	Naira (O)	0.5653
Norway	Krone	5.572
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	9.87
Panama	Balboa	1.00
Papua N.G.	Kina	0.6576
Paraguay	Guarani	137.30
P'ple D. Rp. of Yemen	Dinar	0.3415
Peru	Sol	391.85
Philippines	Peso	7.65
Pitcairn Is.	N.Z. Dollar	1.0911
Poland	Zloty (O)	31.00
Portugal	Escudo	56.67
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	4.9462
Romania	Leu	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	2.242
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr Franc	4.9462
St. Vincent	E. Caribbean $	2.7025
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1045.50
Saudi Arabia	Riyal	3.35
Senegal	C.F.A. Franc	247.31
Seychelles	Rupee	5.9456
Sierra Leone	Leone	1.2725
Singapore	Dollar	2.087
Solomon Is.	Dollar	0.8658
Somali Rep.	Shilling	6.0841
South Africa	Rand	0.799
Spain	Peseta	85.09
Span. Ports in N. Africa	Sp. Peseta	85.09
Sri Lanka	Rupee	18.8855
Sudan Rep.	Pound* (2)	2.80
Sudan Rep.	Pound* (1)	1.25
Surinam	Guilder	1.80
Swaziland	Lilangeni	0.799
Sweden	S. Krona	4.585
Switzerland	Franc	1.916
Syria	Pound	3.9268
Taiwan	Dollar (O)	36.00
Tanzania	Shilling	8.149
Thailand	Baht	20.50
Togo Rep.	C.F.A. Franc	247.31
Tonga Is.	Pa'anga	0.8582
Trinidad & Tobago	Dollar	2.4063
Tunisia	Dinar	0.3985
Turkey	Lira	95.98
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	0.8582
Uganda	Shilling	7.8615
Utd. A'b. Emir.	Dirham	3.6724
Utd. Kingdom	Pound Sterling*	2.242
Upper Volta	C.F.A. Franc	247.31
Uruguay	Peso	10.56
U.S.S.R.	Rouble	0.7074
Vanuatu	Vatu (5)	79.9386
Vanuatu	Aust. Dollar	0.8588
Vatican	It. Lira	1045.50
Venezuela	Bolivar	4.2932
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Tala	0.9713
Yemen	Rial	4.57
Yugoslavia	Dinar	29.37
Zaire Rp.	Zaire	3.42
Zambia	Kwacha	0.8336
Zimbabwe	Dollar	0.6557

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate. (1) Sudan—Official rate for specified exports and imports. (2)—Sudan—Official rate for all transactions except specified exports and imports. (3) Egypt—A different rate applies to certain transactions with non-IMF countries. (4) Iceland—Introduced a new crown equivalent to 100 units of old currency on 1/1/81. (5) Vanuatu—100 vatu=6.1875 French francs since 1/1/81. Aust. dlr. being phased out over next two years.

Early profit-taking on Wall St.

PROFIT-TAKING undercut the Oil, Defence, High Technology and Blue Chip sectors yesterday morning, although the market in general made a mixed showing at mid-session after another active trade.

The Dow Jones Industrial Average, which hit an eight-year high last Wednesday week, fell 23 points in the following three sessions on interest rate worries and the attempted assassination of President Reagan, but rebounded 22 points during Tuesday and Wednesday this week, prompting yesterday's profit taking, analysts said.

The Dow Industrial Average was down 5.76 at 1,008.38 at *mid-day, while the* NYSE All Common Index slipped 23 cents to $78.39, although declines outscored advances by just a small margin at mid-session. Turnover came to 32.16m shares, exceeding Wednesday's noon total of 29.84m.

Analysis also noted that much of the 10-point rise by the Blue Chip indicator on Wednesday came from strength in American Can and Merck. American Can lost 1⅞ to $42¼, after rising 4⅞ the previous day on news that it will sell some assets and redirect the cash into new businesses. Active **Merck** slipped ½ to $88½ after a four-point gain on Wednesday. A Merck drug has shown promise in reducing post-heart attack fatalities.

Volume leader **Sears Roebuck** climbed ⅜ to $19⅜ on volume of more than 1m shares. K Mart, in second place, added ¼ at 20¼. Sears has been gaining recently on improved performance of its retail operations after prolonged weakness.

St. Joe Minerals gained $2 to *$55 in its first trading since* March 25. **Fluor** has offered to buy SCt. Joe for $60 a share, toping a $45 a share bid by **Seagram. Fluor** slipped ⅞ to *$45¾, while Seagram was unchanged at $56.*

THE AMERICAN SE Market Value Index was 0.31 higher at 369.20 at noon. Volume 4.35m shares.

Canada

Markets were mainly higher after heavy early dealings, but below the morning's best levels.

Some oils were down from their morning highs. Renewed hope for a new oil pricing agreement and encouraging results from a Mobil oil well off Newfoundland stimulated fresh initial interest. *The Oil index,* up over 100 points at one stage, was a net 39.9 higher at 4,638.4 at midday.

The Toronto Composite index, at noon, was 8.0 up at 2,373.9, while Golds added 34.9 at 4,312.7.

Tokyo

There was further strong demand for many Blue Chips yesterday, especially those in the Steels, Heavy Electric Machines, Trading Houses and Motors sectors, with foreign investors, *as well as Japanese* Trust Funds, corporations and smaller investors, again active in the market. However, high-priced Light Electricals and Precision Instruments ended mainly lower on the day on profit-taking after fresh early gains. Tighter curbs on margin trading began yesterday.

The Nikkei-Dow Jones Average posted a new record peak for the third consecutive day, ending 26.98 higher at 7,416.97. The Tokyo SE index climbed 2.83 more to 536.65, although overall gains on the First Market section led declines by only 326 to 309. Volumes, again heavy, amounted to 670m shares (700m).

Hitachi advanced Y17 to Y437, **Mitsubishi Electric** Y5 to Y278, **Matsushita Electric** Y40 to Y1,190, **Sumitomo Steel** Y5 to Y214, **Toyota Motor** Y20 to Y880, and **Honda Motor** Y22 *to Y687, while* among Trading Houses, Mitsubishi rose Y23 to Y690 and Sumitomo Y27 to Y435.

Light Electricals concern Sony shed Y30 *to* Y3,940, while Canon declined Y10 to Y1,030. Shipbuildings, Pharmaceuticals, Coals and Oils also closed on an easier note.

Synthetic Fibres, Shippings and Motor Components were *higher*. **Toray** gained Y6 to Y301, **Nippon Yusen** Y11 to Y323 and **Aishin Yusen** Y11 to Y323 and **Aishin** Seiki Y24 to Y569.

Germany

Shares continued to *improve* in lively trading, taking the Commerzbank index up 7.0 more to 702.7 for a two-day advance of 15.6.

Foreign institutions and OPEC money again dominated the buying, and Motors, Banks, Electricals, Chemicals, and some Engineerings were the main beneficiaries.

BMW climbed DM 5.50 and **Mercedes** DM 4.50, while **Deutsche Bank** added DM 1.80, **Bayer** DM 2.50, **Brown Boveri** DM 10 and **KHD** DM 3.50.

Rheinmetall rose DM 11 to DM 325 on limited volume, after Wednesday's DM 6 *gain, on* hopes of new orders in the Middle East.

Paris

A widespread decline occurred in quiet dealings, sentiment depressed by higher French interest rates. The Indicateur de Tendance *index* receded 1.3 to 101.9.

Australia

Selective overseas demand, especially for Oil issues, left markets firmer-inclined after active trading. The Australian All Ordinaries index gained 7.2 to 715.0, while the Oil and Gas sub-group index advanced 35.4 to 1,032.4.

In the Oil and Gas sector, **Santos** strengthened A$1.70 to A$24.00, **Ampol Exploration** 10 cents to *A$4.85*, **Crusader** 30 cents to A$7.40, **Hartogen** 20 cents to A$9.20, **Vamgas** 20 cents to A$9.40, **AOG** 25 cents to A$2.70 and **Strata** 20 cents to A$3.30.

Resources-related issues **BHP** and **CSR** returned to favour, rising 20 and 12 cents respectively to A$14.35 and A$7.00.

Among Minings, **Hamersley** jumped 90 cents A$4.00 buyer in response to the takeover offer from **CRA**, which receded 15 cents to A$4.60.

MIM put on 15 cents to A$4.50 *and* **Peko-Wallsend** 10 cents to A$9.40.

Relisted **Elder Smith GM** lost 20 cents to A$4.25, while prospective merger partner **Henry Jones** (IXL) *rose* A$1.15 to A$4.35, also on resuming trading after suspension.

Among new listings, **Expo Oil** lost 6 cents of its issue price to close at 14 cents, with the one cent Options ending at 6 cents. New gold explorer **Burbridge** traded at th e 35 cents issue price, with th e five-cent Options returning 10 cents.

Hong Kong

The market continued to pick up yesterday in moderate activity, *with the Hang Seng index recouping* 21.09 more to 1,408.85.

Sentiment was boosted by Chase Manhattan Bank's decision to cut its U.S. Prime Rate to 17 per cent, and by a softening in local interbank rates which could lead to a cut in local Prime today.

Activity centred on selected leading stocks, with investors tending to avoid more speculative second-line issues.

Swire Pacific "A" rose 40 cents to HK$13.80 ahead of its 1980 results, due shortly. **Jardine Matheson** added another 60 cents at HK$22.80, **HK Land** 30 cents at HK$11.20 and **Cheung Kong** HK$1.00 at HK$32.75.

Johannesburg

Gold shares tended to harden in light trading. Heavyweights **President Steyn** and **Randfontein** gained 150 and 100 cents to *R47.00* and *R70.00* respectively, while Mediums and Lightweights were mostly between 10 to 25 cents firmer.

Diamond leader **De Beers** *moved ahead 35 cents to R9.65* on overseas buying.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SWEDEN

GERMANY

SWITZERLAND

AUSTRIA

BELGIUM/LUXEMBOURG

SINGAPORE

SOUTH AFRICA

BRAZIL

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

Noranda raises zinc price

BY JOHN EDWARDS, COMMODITIES EDITOR

A RISE in the European zinc producer price from $825 to $827 a tonne was announced last night by Noranda, the big Canadian producer. It is expected to be quickly followed by other producers, although some custom smelters may be somewhat reluctant in view of the poor demand for zinc in certain European countries, notably West Germany.

London Metal Exchange zinc values have already risen recently anticipating a producer price increase. But the market moved strongly upwards in after-hours dealings when the Noranda news became known, although at the official afternoon closing cash zinc was £3 down on the previous close.

The bulk of zinc is sold at the producer price under direct supply contracts between producers and consumers; it is also used to calculate the cost of ore concentrates used by smelters.

There is currently a shortage of zinc concentrates, caused by mine cutbacks, but poor consumer demand has meant that supplies of zinc metal have been more than adequate.

However, cuts in smelter production, and some improvement in consumption, have already brought a rise in U.S. zinc prices and this has brought pressure on the European market to remain competitive in buying concentrates.

Last September a move to put up the zinc producer price from $780 to $845 ended in a compromise increase to $825. Producers claim this is much too low bearing in mind the rise in output costs.

Lead — zinc's sister metal — fluctuated wildly yesterday in active trading. It moved up strongly in early dealings following Asarco's decision to raise its U.S. domestic selling price for lead by 2 cents, cancelling out the reduction last month that was not followed by other producers.

It was also confirmed that 650 workers at St. Joe's seven mining and milling plants in Missouri had gone on strike, although negotiations are still going on about the terms of a new labour contract.

But after the three-months quotation in London had reached a peak of £356, profit taking came in and the market closed £4.25 down at £346.5 a tonne before rallying on late kerb. Other metal markets were generally quiet. But Reuter reported from La Paz that Bolivia is resolved to withdraw from the International Tin Agreement if consumer countries do not agree to demands for an end to the sale of tin from the U.S. strategic stockpile.

Chinese farm output below target

By Colina McDougal in Peking

THE FULL measure of China's agricultural failure last year was revealed when the 1980 farm output value figures were announced yesterday by Du Runshung of the State Agricultural Commission.

At yuan 160bn, this was only 1 per cent above the 1979 figure and well below *the planned increase of 3.8 per cent.*

Rapid rises in livestock and cash crop production had evidently only just made up for the 15m-tonne drop in grain output below the record 1979 figure and 1980 target of 332m tonnes.

Vice-minister Du was concerned to point out that China was not dependent on grain imports (which this year are expected to total 13-15m tonnes) as a big source of food. China already exports 2m tonnes of rice annually, he noted.

Imports of grain also allowed the country to switch to cash crops from grain where appropriate.

Our Commodities Staff writes: The International Wheat Council in its latest market report, out yesterday, notes that events in China, *one of the two biggest wheat importing countries together with Russia*, will have an important bearing on the world grain economy in the coming crop year.

Chinese purchases are expected to remain at a high level in 1981/82, in spite of better crop prospects, the report claims, because of the desire to improve nutrition. But the amount of grain purchased might be limited by financial restrictions.

The Wheat Council said it *still believes that likely world* wheat consumption of 460m tonnes in 1981/82 can be met given reasonable weather.

Hopes for good Soviet grain crop

MOSCOW — Good weather in the south of the Soviet Union's European territories has enabled farmers to begin sowing grain earlier than usual, raising hopes for a good crop, the government newspaper Izvestia said yesterday.

Izvestia said sowing had begun almost as far north as Volgograd in the Russian Federation and Poltava in the Ukraine.

Reuter

Italian horticulture under pressure

BY JAMES BUXTON IN ROME

FIGURES showing a drop last year in the volume of Italian horticultural products are causing increasing concern, particularly in view of the prospect of Spain and Portugal joining Italy and now Greece as producers of Mediterranean products in the EEC.

Last year exports of fruit, vegetables and citrus *fell* to 28.1m quintals from 30.4m in 1979. The highest volume of exports in the past four years was achieved in 1977, with 31.6m quintals. It is being claimed here that Italy has now dropped behind Spain as an exporter of agricultural products.

There was a marginal increase in export earnings last year, thanks to higher prices, *from L1,512bn to L1,532bn*. But Italy's imports of these products rose last year by 4 per cent to L434bn, though in volume imports were down 13 per cent.

The figures are particularly disturbing in view of the fact that Italy, while having a big overall agricultural deficit of L4,740bn, largely on account of its unfavourable terrain, ought *to have a comparative advantage* in many horticultural products, because of its warm, sunny climate.

The problems could become more acute if and when Spain and Portugal join the EEC. The Italian government yesterday promised legislation as well as an already planned increase in spending to help the horticulturalists, with a view to grouping them into consortia aimed at exporting.

EEC FARM PRICE REVIEW

As good as can be expected

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE REVIEW, on the face of it, is a good one for British farmers. To receive an average increase of 9 per cent on all farm products at a time when industry all around is suffering should make them and their European colleagues thankful that they have this safety net.

But it is doubtful if many will see it that way. They have been told that real incomes have dropped by 24 per cent over the past two years and 9 per cent is not going to get much of that back.

Some of the increases are not quite all they seem. The 9 per cent on *milk is subject to a 2½* per cent co-responsibility levy. In addition about half Britain's milk is sold on the liquid market and is not directly supported by intervention buying. Intervention buying only applies to milk products. Unless there is another increase in the liquid milk price, farmers will claim that they are not really benefiting fully from the award.

Nor will they be best pleased with the knowledge that thanks to the devaluation of a number of European green currencies French dairy farmers will be getting over 12 per cent and the Italians 15 per cent in national currency terms. Only the Germans, thanks to the revaluation of the green Mark, will have to put up with an increase in national prices of just over 5 per cent.

The fact should be appreciated by farmers that the Minister of Agriculture, Mr. Peter Walker, managed to resist demands for a revaluation of *sterling which would have effec*tively reduced British prices. Although it may not be appreciated by consumers who suffer it as a charge on food imports.

There is little sign of any determination to contain the cost of the dairy sector currently running at over £3bn a year. If the cost should escalate seriously, the Council of Ministers could bring in a super levy, but judging by past form they are unlikely to do this.

But a super levy, even a swingeing one, would do nothing to reduce the flood of milk. All it could do would be to mitigate its cost to FEOGA, the farm fund. Only a system of quotas on excess production on a national or individual basis could do that.

The increase in cereal prices of 6 per cent is supplemented by a rise in the guide price of 7½ per cent. The guide price is the basis for the threshold price and the combined effect of this will be to raise substantially import levies of such things as *hard wheat and maize*. This is almost certain to intensify the search for cereal substitutes which enter the Community at low or nil levies.

This could add to the exportable surplus of feed grain which can only be sold to third countries with the help of heavy subsidies. Some 2½m tonnes of UK barley has had to be sold abroad from last year's harvest.

The demand for these substitutes will be insisted on by pig and poultry farmers who get no intervention support and whose margins are under very great pressure. Their case for special treatment is every bit as valid as that of the veal calf rearers who benefit from a substantial subsidy on EEC skimmed milk which is turned into feed.

Although sheep farmers are only benefiting to the extent of a 7½ per cent lift in their guaranteed price they received 11 per cent on the introduction of the Community sheep regulation last autumn. The UK sheep price is supported by deficiency *payment to make up the* difference between the market price and the guarantee.

This deficiency payment is reimposed as a clawback on all lamb exports to EEC countries and is as effective a bar to them as could have been invented. If there is a glut of lamb in the summer, the UK fresh meat market could be very unstable.

In that event the graduated increase in the beef guarantee totalling 10 per cent will be welcomed especially as the UK premium has been retained by Mr. Walker.

In fact he should be pleased with himself for having advanced what he sees as British interests by securing the continued admission of New Zealand butter, the continuation of the EEC consumer butter subsidy and a number of other minor alterations.

British farming should be able to live with this review although the margins do not allow much scope for investment, a frequent complaint in the past. But somehow the industry seems to be able to carry on from year to year which indicates that the need for investment is not so important in production terms. There is no obvious shortage of buildings and machinery and no skimping in the use of the essential fertilisers and chemicals. Production overall is unlikely to suffer.

How the increases are distributed

BY LARRY KLINGER IN BRUSSELS

EEC OFFICIALS said price increases for individual farm products ranged between 3.3 per cent for rye and 11 per cent of pigmeat, rice and most fruit and vegetables. Most cereal intervention prices will be raised by around 6 per cent; sugar by 8.5 per cent; tobacco by 10 per cent and milk by 9 per cent.

Dairy products increases in target and guide prices will take place from the start of the marketing year, not in two stages as originally proposed.

The butter and skimmed milk *powder intervention* price increase will be accompanied by a similar rise in the contribution to processing costs. The butter intervention price will rise to 317.84 ECU per 100 kilos (£1.966 a tonne) and that for skimmed milk powder to 132.45 ECU per 100 kilos (£819 a tonne).

The milk co-responsibility levy will be 2.5 per cent (previously 2 per cent) of the target price, under the same conditions as the current basic levy.

If extra EEC budget costs follow an increase in milk supplied of more than 1 per cent this year over last, steps will be taken to offset them by, for example, a levy on the increased output, partial suspension of intervention, altering the intervention price or applying a progressive basic levy.

In aids and subsidies, from January 1, 1982 the EEC contribution to general aid for butter will not exceed 75 per cent or 40 ECUs per 100 kilos, and the contribution to general aid for butter payable to Britain will not exceed 45.94 ECUs.

New Zealand butter imports into the EEC will be limited to 70,250 tonnes from April 1 to December 31 this year (94,000 tonnes for the whole year) and 92,000 tonnes in 1982. The Council is to decide on 1983 arangements before October 1, 1982, and review the system again before August 1, 1983.

Cereals — Common intervention price up by 6 per cent. Target price for feedgrain up 8.07 per cent and common wheat up 7.73 per cent. Reference prices for average quality *bread making* wheat up 7.5 per cent—minimum quality up 5.5 per cent.

Any adjustments in the cereals sector to intervention and reference prices will not apply during the current marketing year but will be carried over to 1982-83.

EEC SUGAR QUOTAS
(per 000 tonnes of white sugar)

	A	B
Belgium and Luxembourg	680	146
Denmark	328	97
Germany	1,990	611
Greece	290	29
France (mainland)	2,530	759
Former French colonies	466	47
Ireland	182	18
Italy	1,320	248
Netherlands	690	182
UK	1,040	104

Starch products, the Commission is to submit new proposals by June 1. Meanwhile, the rates of production refunds for 1981-82 are: maize, 13.56 ECU per tonne; wheat, 19.38; broken rice, 16.67; starch, 21.83—minimum price of 262.66 ECU.

Beef and veal guide and intervention prices will rise by 10 per cent, 7.5 per cent, at the beginning of the marketing year and 2.5 per cent from December 1.

Frozen beef and veal imports were agreed on an estimated 60,000 tonnes for processing and 230,000 head of young bovine animals, opening a tariff quota of 50,000 tonnes for 1981.

Pigmeat basic price was increased by 11 per cent to 176.81 ECUs per 100 kilos (£1.090 a tonne). Sheepmeat basic price and central reference price to be increased by 7.5 per cent to 370.88 ECUs *per 100 kilos (£2,294 a tonne).*

The sheepmeat "claw-back" system (recovery of the premium on exports) will continue not to apply, pending certain future export decisions in the 1981-82 marketing year to exports to countries outside the EEC from member countries in which a slaughter premium was paid.

Sugar—The basic production levy on A and B sugar will be a maximum of 2 per cent, with the possibility of an additional levy on B sugar rising to 30 per cent. If there is a financial deficit, the levy on the B quota would be revised for next year by an additional percentage of up to 7.5 per cent. *Quotas for* new five-year regime, starting from July 1, 1981, are shown in the table*.

The main prices have been fixed as follows: basic price for sugar beet 35.91, ECU per tonne £22.22; intervention price for white sugar, 46.95 ECU per 100 kilos £290.5 a tonne; intervention price for raw sugar, 38.58 ECU per 100 kilos.

Wine guide price for table varieties to increase by 10 per cent, with the exception of that for white wines of the AI type, where the increase is 8.5 per cent.

Fruit and Vegetables: Basic and buying-in prices for cauliflowers, peaches, lemons, pears, table grapes, mandarins and sweet oranges will go up by 11 per cent, those for tomatoes by 8 per cent and those for apples by 9 per cent. Marketing prices for oranges, mandarins, clementines and lemons rise by similar amounts.

Tapioca pact delay likely

HAMBURG — The proposed agreement to limit Thai exports of tapioca to the EEC is unlikely to be ratified in the next *few weeks or even months*, Hamburg grain traders said.

The agreement also seems to founder on Thai demands that its exports to the EEC should not be singled out for EEC action, they said.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—*Barely changed* in subdued trading on the London Metal Exchange with forward metal moving in a £5 range prior to closing the late Kerb at £863.5. Turnover: 10,025 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	845-.5	+4	844.5-5.5	-.5
3 months	865-.5	+4	865.5-6	-.5
Settlem't	845.5	+4	—	......
Cathodes				
Cash	838-9	+3.5	839-41	+.5
3 months	851-2	+1.75	854-5	+1
Settlem'	839	+3.5	—	......
U.S. Prod.	—		*87-92	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £867, 66.5, 67, 67.5, 68, 67, 66.5, 66, 65.5, 65. Cathodes, three months £852. Kerb: Wirebars, three months £865, 64.5, 64. Afternoon: Wirebars, three months £865, 67, 66.5, 66, 65.5. Cathodes, three months £855. Kerb: Wirebars, three months £865, 64.5, 64, 63, 63.5.

TIN—Firmer. The rise at Penang, coupled with market views that tin had been oversold, prompted good fresh buying which lifted forward metal from £6,175 to £6,240 before profit-taking pared the price to £6,225 on the late Kerb. *In late inter-office trading the price dipped further to £6,300 on* reports of an easing in the tension in Thailand. Turnover: 890 tonnes.

Morning: Standard, cash £6,250, 40, 45, 50, three months £6,280, 85, 90, 95, 6,300, 10, 20, 10. Kerb: Standard, three months £6,320, 30. Afternoon: Standard, three months £6,340, 35, 40, 30, 25. Kerb: Standard, three months £6,325.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6250-60	+67.5	6250-70	+80
3 months	6310-5	+57.5	6325-30	+88
Settlem't	6260	+90	—	......
Standard				
Cash	6250-60	+67.5	6250-70	+80
3 months	6310-5	+57.5	6325-30	+80
Settlem't	6260	+90	—	......
Straits E.	†$30.92	+0.25	—	......
New York	—	......	—	......

LEAD—Easier. The strike at St. Joe Minerals and news that Asarco have increased their producer price lifted *forward metal to £356 in early trading*. However, profit-taking and hedge selling pared the price to £347 in the afternoon, before the Noranda zinc producer price increase prompted a late rally to £349 by the close of the late Kerb. Turnover: 7,425 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	343.5-4	-3.75	339-41	-6.25
3 months	348-.5	-2.25	346-7	-4.25
S'ment	344	-4	—	......
U.S. Spot	—	......	*34-6	......

Morning: Cash £343, 44, three months £349, 48. Kerb: Three months £349, 48.5, 49. Afternoon: Three months £349, 48, 47. Kerb: Three months £348, 49, 49.5, 49.

ZINC—Little changed on balance. After opening at £372 trade hedge selling saw forward metal dip to £367. Thereafter the price recovered with three months moving ahead to close the late Kerb at £373.5 boosted by news that Noranda have increased their external zinc producer price by $50 to $875. Turnover: 10,925 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	358-9	-7	350-1	-3
3 months	368-9	-4.75	371-2	......
S'ment	359	-7	369.5-70	-1.75
Primw'ts	—	......	*45.5	......

Morning: Cash £360, three months £369, 69.5, 69, 68, 68. Kerb: Three months £368, 67.5. Afternoon: Three months £368, 67, 67.5, 68, 68.5, 69, 69.5. Kerb: Three months £370, 70.5, 71, 72, 72.5, 73, 74, 73.5.

ALUMINIUM—Moved narrowly before closing the late Kerb at £643.5. Turnover: 5,775 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	637-9	+4.75	637-9	+4.5
3 months	643-4	+3.75	644.5-5	+2.75

Morning: Three months £645, 44, Kerb: Three months £643. Afternoon: Three months £643.5, 44, 45. Kerb: Three months £643, 43.5, 44.

NICKEL—Marginally firmer as further selling of cash material was offset by a decline in sterling. Forward metal dipped to £820 before rallying to close the late Kerb at £2,827.5. Turnover: 408 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2825-30	+12.5	2820-5	+7.5
3 months	2825-30	+25	2820-5	+12.5

Morning: Cash £2,830, early June £2,826, three months £2,817, 20, 18, 20, 25. Kerb: Three months £2,827, 30, 27. *Afternoon: Early April £2,830,* 25, three months £2,825. Kerb: Three months £2,830.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

CORAL INDEX: Close 538-543 (+11)

SILVER

Silver was fixed 8.65p an ounce higher for spot delivery in the London bullion market yesterday at 545.60p. U.S. cent equivalents of the fixing levels were: spot $12.2, up 17c; three-month $12.615, up 16c; six-month $13.034, up 16.5c; and 12-month $13.958, up 16.4c. The metal opened at 535p-544p ($12.00-$12.20) and closed at 543p-552p ($12.10-$12.30).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	545.60p	+8.65	545.5p	+4.25
3 months	561.60p	+8.35	561.25p	+3.8
6 months	577.20p	+8.40	—	......
12months	612.20p	+8.40	—	......

LME—Turnover 72 (75) lots of 10,000 ozs. Morning: three months 560, 61, 61.5. Kerb: three months 563, 62. Afternoon: three months 563, 60, 61, 61.5, 62. Kerb: three months 561.

COCOA

Closing levels were little changed to those of Wednesday evening as cocoa was neglected by both futures and physical traders who await an outcome to the International Cocoa Agreement negotiations before re-entering the market, reported Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	929-930	+1.5	932-928
July	959-960	+2.0	963-957
Sept.	979-980	+3.0	981-977
Dec.	1000-1001	+3.0	1001-998
March	1020-1021	+2.5	1021-1018
May	1038-1039	+2.5	1039-1035
July	1054-1059	+1.5	—

Sales: 1,511 (1,596) lots of 10 tonnes.

ICCO Futures—Daily price for March 31: 96.35 (95.39); five-day average 95.84 (95.89).

COFFEE

A quietly steady session saw continuation of the recent pattern with values fluctuating within a tight range and thin volume, reports Drexel Burnham. Marginal gains were encouraged by a higher New York market but once again there was no fresh fundamental or physical news to attract any further interest until late Commission House buying *lifted* values to the day's highs.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1068-70	+13.5	1070-56
July	1066-67	+15.0	1067-51
Sept.	1063-65	+12.5	1066-52
Nov	1059-63	+13.5	1061-50
Jan	1058-62	+9.0	1053-50
March	1055-56	+7.5	1053-47
May	1045-70	+6.5	1053-48

GRAINS

Old crops opened unchanged. Aggressive buying of wheat rallied the market. *Values increased steadily in* active trading to close 145-160 higher on wheat with some short-covering at the close. Barley was quiet with values easing due to general lack of buyers to close 85p lower on the day. New crops opened 20-25p lower. On good buying support in Sept. and Nov. barley steadied and in active trade the market increased to close 10-15p up. Wheat closed 10-15p lower on the day, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
May	116.70	+1.60	99.65	-0.65
July	119.50	+1.35	—	
Sep.	101.10	-0.10	96.05	+0.15
Nov.	104.55	-0.25	99.60	+0.10
Jan.	108.40	-0.10	103.00	+0.05
Mar.	112.10	-0.05	106.40	+0.05

Business done—Wheat: May 116.50-115.10, July 19.50-118.15, Sept. 101.10-100.90, *Nov. 104.60-104.45, Jan. 108.40-*108.30, Mar. 112.10-112.00. Sales: 612 lots of 100 tonnes. Barley: May 100.75-99.60, Sept. 96.00-95.60, Nov. 99.60-99.25, Jan. 103.00-102.65, Mar. 106.20-106.10. Sales: 28 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Hard Winter 13½ per cent April 103.75, May 103.25, June 102.25 transhipment east coast. English Feed fob April 118, May 119, June 120 east coast quoted. Maize: French April 124 transhipment east coast. S. African Yellow April/May 87.00. Barley: English Feed fob April 103 paid, May 104.25 quoted. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 98.20, S. West 100.50, W. Mids. 99.60, N. West 98.30.

The UK Monetary Coefficient for the week beginning Monday, April 6, is expected to change to 0.871.

RUBBER

The London physical market opened steadier, with little interest at higher levels, closing easier. Lewis and Peat reported an fob April price for No. 1 RSS in Kuala Lumpur of 266.0 (263.0) cents a kg and SMR 20 at 245.5 (242.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
May	55.75-54.40	54.00-54.20	—
June	54.50-55.40	55.00-55.50	—
Jly-Sept	57.60-57.70	57.55-57.50	58.00-57.20
Oct-Dec	60.50-60.60	60.40-60.60	61.50-60.20
Jan-Mar	63.40-63.50	63.40-63.50	64.50-63.20
Apl-Jne	66.40-66.50	66.30-66.50	67.20-67.10
Jly-Sept	69.20-69.40	69.20-69.40	—
Oct-Dec	71.90-72.50	72.10-72.20	—
Jan-Mar	74.80-75.40	75.20-75.30	75.30

Sales: 393 (517) at 15 tonnes, nil (16) at 5 tonnes. Physical closing prices (buyer) were: Spot 53.00p (52.50p); May 55.00p (same); June 56.75p (same).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 375 tonnes, bringing the total for the week so far to 982 tonnes. Persistent demand brought a wider turnover, with a better response from prospective buyers. The regular American-type varieties continued in fair request, with the bulk of the off-take *in Middle Eastern growths.*

SOYABEAN MEAL

The market opened £1.00-£1.50 lower on profit-taking, reports T. G. Roddick. Prices steadied at close to finish with losses of 50p-£1.00 with renewed Commission House buying.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	124.50-25.0	-0.40	125.00-24.70
June	126.00-26.2	-0.75	126.70-25.50
August	128.80-28.9	-0.90	129.00-28.50
October	131.30-31.6	-0.38	131.50-30.50
December	132.50-33.5	-0.25	132.50
February	133.50-35.5	-0.25	—
April	134.50-37.5	—	—

Sales: 80 (96) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £224.00 (£226.00) a tonne for cif April-May shipments. White sugar daily price was £244.00 (£257.00).

The market opened some £2 below overnight levels and prices remained on the defensive throughout the day, reports C. Czarnikow.

No. 4 Con-tract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
May	225.50-25.75	228.00-28.25	232.00-23.00
Aug.	222.75-23.00	225.50-25.75	229.00-20.00
Oct.	220.50-21.00	220.50-21.00	226.00-17.50
Jan.	212.00-13.00	212.00-13.00	212.00-10.00
March	212.50-13.00	212.00-12.50	217.50-10.00
May	212.00-13.50	212.00-12.50	—
Aug	212.50-13.50	212.00-13.00	—

Sales: 7,369 (7,455) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £300.50 (£303.50) for export.

International Sugar Agreement (U.S. *cents per pound*) fob and stowed Caribbean port. Prices for April 1: Daily price 21.00 (same): 15-day average 21.80 (21.77).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, *business*). *New Zealand cents per kg.* May 347, 354, 349; Aug. 355, 358, 357-356; Oct. 358, 361, 360; Dec. 368, 370, 370-369; Jan. 373, 376, 375; March 380, 382, nil; May 380, 386, 383; Aug. 383.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business). Australian cents per kilo. May 483.9, 486.0, 484.0-483.0; July 486.0, 487.0, 487.0-483.0; Oct. 481.5, 483.0, 482.0-481.0; Dec. 485.0, 486.0, 486.0-485.0; March 493.0, 493.5, 494.0-493.0; May 498.5, 499.5, 498.0; July 502.5, 503.0, 503.0-502.0; Oct. 503.0, 505.0, 505.0-504.0. Sales: 404.

POTATOES

LONDON POTATO FUTURES—Continued offers of were further depressed April while recent buying support continued on new crop closing under highs on profit-taking. Closing prices: April 51.20 —30 (high 51.50, low 50.70); Nov. 59.70 +70 (high 60.00, *low 59.30); Feb. 67.70 +10 (high 68.00,* low 67.60). Turnover: 233 (179) lots of 40 tonnes, Coley and Harper reports.

*

HIDES—Manchester. Weaker tendency contained and market reflecting slightly firmer conditions. Second clears: Ox: 31-35.5 kg, 38.3p a kg (37.6p a kg withdrawn): 26-30.5 kg, 43.3p a kg (41.7p a kg withdrawn); 22-25.5 kg, 52.5p a kg (51.3p a kg withdrawn). Light cows: 43.0p a kg (40.6p a kg withdrawn).

*

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£4.30, codlings £2.40-£3.30. Large haddock £4.40-£5.30, medium £4.00-£4.80, small £1.40-£3.40. Large plaice £3.00-£3.70, medium £2.30-£3.00, best small £2.00-£3.50. Skinned dogfish (medium) £8.00. Lemon soles (large) £11.00, medium £9.60. Saithe £2.00.

PRICE CHANGES

	Apr. 2 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1450/1460	+15	$1455/465
Copper			
Cash w'bar	£845.0	-0.5	£794.5
3 mths	£865.75	-0.5	£817.75
Cash Cathode	£840.0	+0.5	£791
3 mths	£854.5	+1	£804.25
Gold troy oz	$520.5	+3	$463.5
Lead Cash	£340.00	+6.25	£331.25
3 mths	£346.5	-4.25	£337.75
Nickel	£3,358.65	......	£3,358.65
Freemkt	286/300c	+2.5	275/280c
Platin'mtr'y oz	£213.5	......	£213.50
Freemkt	£230.75	-0.10	£200.25
Quicksilvert	$415/425	......	$400/410
Silver troy oz	545.60p	+8.65	512.05p
3 mths	561.60p	+8.35	528.06p
Tin Cash	£6,260	+80	£6,000
3 mths	£6,267.5	+80	£6,127.5
Tungsten22.04lb	$149.08	+2.35	$145.47
Wolfrm 22.04 lbs	$147/151	......	$157/155
Zinc Cash	£360.5	-3	£329.5
3 mths	£369.75	-1.75	£338.375
Producers	$825	......	$825
Oils			
Coconut (Phil)	$537.50w	......	$595
Groundnut	‡	......	‡
Linseed Crude	£406	-2	£420
Palm Malayan	$565z	......	$600
Seeds			
Copra Philip	$370	+10	$395
Soyabean(U.S.)	$319	-3	$302
Grains			
Barley Futures	‡	......	£101.25
Maize			
French	£124	......	£123
Wheat			
No 1 Red Spg	‡		‡
No2 HardWint	£103.75	-0.25	‡
Eng. Millingt	‡		‡
Other commodities			
Cocoa ship't	£1,025	+1	£995
Future May	£929	+1.5	£909.5
CoffeeF t'May	£1069.0	+15.5	£1058.5
Cotton A.Index	90.25c	-0.25	93.30c
Rubber (kilo)	53.00p	+0.5	58.50p
Sugar (Raw)	£224.0m	+2	£242
Woolt'ps 64s kl.	316p kilo	......	322p kilo

† Unquoted. u May-June. x June. w April-May. v May. z Indicator. § Buyer. ‡ Per 45 lb flask. * Nominal.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on April 2. GB—Cattle 91.50p per kg lw (+1.76); UK—Sheep 174.90p per kg est. dcw (—1.23): GB—Pigs 73.28p per kg lw (+0.57).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 72.1 to 76.2; Ulster hindquarters 88.0 to 89.0, forequarters 56.0 to 59.0. Veal: Dutch hinds and ends 112.0 to 116.0. Lamb: English small 70.0 to 80.0, medium 70.0 to 78.0; Imported frozen—NZ PL 58.0 to 58.0, NZ PM 56.0 to 58.0. Pork: English, under 100 lbs 46.0 to 50.5, 100-120 lbs 43.5 to 48.0, 120-160 lbs 42.0 to 46.5.

COVENT GARDEN—Prices for the bulk of produce in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: Shamoutis/V. Lates 50/189, 4.85-5.25; Spania: Navels 48/100 4.20-4.80; Cyprus: V. Lates 80/120 3.20-3.50; Moroccan: Lates 64/113 3.80-4.40. Lemons—Spania: Trays 25/54 1.80-2.20; 15-kg boxes 5.50; Cyprus: 10 kg 4.00-4.40; Californian: 95/140 8.50; Italian: 100/120 4.00.

English Produce: Potatoes—Per bag 1.60-2.20. Mushrooms—Per pound 0.50-0.60. Apples—Per pound, Bramleys 0.06-0.14, Spartans 0.10-0.15, Cox's Orange Pippins 0.14-0.26. Pears—Per pound Conference 0.08-0.15, Comice 0.14-0.18. Cabbages—Per bag 1.40, White cabbages 3.40. Beetroots—Per bag 2.40-1.80. Lettuce—Per 12, round 1.20-1.50. Tomatoes—Per 12 lb English, per pound D 0.55, E 0.50. Cucumbers—Per 12/16 2.20-3.40. Leeks—Per 10 lb 2.00. Rhubarb—Per pound forced 0.14-0.16, outdoor 0.10-0.12. Carrots—Per 28 lb 2.40-3.00. Onions—Per bag 3.50-4.50. Celery—Per pack naked 18/18 1.50-1.60. Swedes—Per 28 lb Devon 0.75-1.00. Parsnips—Per 28 lb 2.20-2.80. Turnips—Per 28 lb 1.20-1.40. Cauliflowers—Per 28 lb Kent 2.40-3.00.

AMERICAN MARKETS

Wednesday's closing prices

NEW YORK, April 1.

Precious metals and copper were moderately higher on follow through short covering from yesterday. Sugar was lower on Commission House liquidation triggered by heavy EEC offerings. Livestock prices were generally lower on product weakness. Nearby months in coffee were under pressure *on profit-taking while distant months* held their own. Cocoa firmed on technical buying and light Commission House buying. Heating oil declined under pressure from unseasonably high supplies. Late selling contributed to moderate losses in maize, wheat and soyabeans. Cotton was mixed with the trade supporting the back months, reported Heinold.

††Cocoa — May 2046 (2027), July 2098 (2075), Sept. 2137, Dec. 2184, March 2234, May 2284, July 2335. Sales: 1,231.

Coffee—"C" Contract: May 127.10-127.30 (127.15), July 126.90-127.00 (126.94), Sept. 126.45-126.50, Dec. 123.75, March 122.00-122.25, May 122.00-122.50, July 122.05-122.50, Sept. 122.50-123.25. Sales: 1,379.

Copper—April 85.95 (85.35). May 86.90-87.00 (86.40), June 88.05, July 89.05-89.20, Sept. 91.40, Dec. 94.50, Jan. 95.50, March 97.40, May 99.40, July 102.10, Sept. 103.50, Dec. 106.35, Jan. 107.30. Sales: 4,700.

Cotton — No. 2: May 85.35-85.40 (86.12). July 86.91-87.00 (87.15), Oct. 85.35-85.40, Dec. 82.80, March 83.70, May 84.25-85.00, July 84.75-85.00. Sales: 3,800.

*Gold—April 515.0-515.5 (513.8), May 522.0 (519.5), June 527.0-528.5, Aug. 540.2, Oct. 552.4, Dec. 563.5-564.5, Feb. 576.8, April 589.0, June 601.2, Aug. 613.5, Oct. 625.8, Dec. 638.1, Feb. 650.4. Sales: 38,000.

Heating oil (cents per U.S. gallon)—April nil (0.9409), May 0.9435 (0.9425), June 0.9510, July 0.9642, Aug. 0.9760, Sept. 0.9861, Oct. 1.0135, Nov. 1.0305, Dec. 1.0535, Jan. 1.0755, Feb. 1.0970, March 1.1150. Sales: 2,184.

*Platinum—April 500.0-504.5 (501.4), May nil (nil), June nil, July 519.0-521.5, Oct. 538.0-540.0, Jan. 558.0, April 577.0. Sales: 3,120.

Potatoes (round whites)—Nov. 83.4-83.5 (82.4), Feb. 91.5-93.0 (93.5), March 98.5, April 112.3-112.4.

¶Silver—April 1208.0 (1189.5), May 1216.0-1224.0 (1203.0), June 1235.0, July 1246.0-1254.0, Sept. 1281.0, Dec. 1325.0, Jan. 1342.0, March 1372.5, May 1403.0, July 1433.5, Sept. 1464.0, Dec. 1510.0. Handy and Harman, bullion spot 1210.00 (1190.00). Sales: 4,000.

Sugar—No. 11: May 21.00-21.05 (21.12), July 21.00-21.10 (21.21), Sept. 20.95-21.00, Oct. 20.85-20.90, Jan. 20.00-20.15, March 19.95-20.00, May 20.05-20.15, July 20.15-20.25, Sept. 20.00. Sales: 9,810.

Tin—639.00-644.00 (634.00-640.00).

CHICAGO, April 1.

Lard—Chicago loose 19.25 (same).

Chicago Imm Gold—April 517.0 (513.5), June 528.5-527.0 (525.5), July 531.5, Sept. 545.5, Oct. 549.5, Dec. 564.5, *Jan. 567.7, March 583.0, April* 586.0.

Live Cattle—April 63.80-63.70 (63.90), June 68.30-68.40 (68.55), Aug. 69.40-69.30, Oct. 67.65-67.55, Dec. 69.10-68.95, Feb. 69.92, April 70.45.

Live Hogs—April 42.30-42.40 (42.55), June 48.95-49.10 (49.82), July 51.35-51.50, Aug. 51.62-51.65, Oct. 52.05-52.10, Dec. 55.30, Feb. 56.10, April 55.00, June 57.75.

‡‡Maize—May 362-362¼ (364¾), July 371-371½ (374¾), Sept. 375-375½, Dec. 379-378½, March 388½, May 393½.

Pork Bellies—May 53.05-53.05 (55.05), July 54.05-54.35 (55.95), Aug. 53.60-*53.80, Feb. 68.67-69.00, March 68.30.*

†Soyabeans—May 774-775 (783½), July 798-797 (806¾), Aug. 807-808, Sept. 812, Nov. 828½-830, Jan. 846, 845, March 865, May 879½.

‖Soyabean Meal—May 219.5-219.8 (220.8), July 227.5 (228.6), Aug. 230.5, Sept. 233.5, Oct. 235.0, Dec. 239.0-239.5, Jan 242.0-242.5, March 246.0-247.0.

Soyabean Oil — May 24.92-24.90 (25.16), July 25.70-25.65 (25.96), Aug. 26.00, Sept. 26.25, Oct. 26.55, Dec. 27.10-27.05, Jan. 27.20, March 27.80-27.90, May 28.30-28.40, July 27.70-28.80.

†Wheat—May 431-430½ (433¾), July 437-436 (438¾), Sept. 450½-450, Dec. 472-471, March 489½, May 501½.

WINNIPEG, April 1.

§Barley—May 146.50 (146.80), July 147.60 (147.90), Oct. 146.90, Dec. 146.50, March 145.00.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, April 2.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent April $211, May $211, June $210, July $209. U.S. No. Two Red Winter April $207, May $206, June 10-July 10 $190. U.S. No. Two Northern Spring 14 per cent April $207.50, April-May $207, May $206.50, June $206.75, July $208, Aug. $209, Sept. 210, Oct. $214, Nov. $217.

MAIZE—U.S. No. Three Corn Yellow afloat March $165, April $163.25, May $165.50, June $168, July-Sept. $173.25, Oct.-Dec. $174.50, Jan.-March $186.

Soyabeans—U.S. Two Yellow Gulfports afloat April $313, May $314.50, June $318, July $321, Aug. $324, Sept. $327, Oct.-Nov. $331, Dec. $336.50, Jan. $342.50, Feb. $347.50, March $350. Argentine June-July $313, option Arg./Urg./Braz/Par. Gulf May $308.50, June $311, July $312 sellers.

Soyameal—44 per cent protein U.S. afloat $278-$273.50-$274 traded afloat $277-$275-$273-$272-$271, March $272, April 268, May 269, June 270, April-Sept. $273, Nov.-March $296. Brazil Pellets afloat $285.50-$283.50, March 10-April 11 $283, April $279, May $280, April-June $283.50, April-Sept. $286 sellers.

PARIS, April 2.

Cocoa—(FFr per 100 kilos): May 1020-1025, July 1040-1050, Sept. 1085-1095, Dec. 1108-1112, March 1130-1135, May 1155-1160. Sales at call: Nil.

Sugar—(FFr per tonne): May 2645-2660, July 2580-2640, Aug. 2595-2600, Oct. 2470-2495, Nov. 2450-2510, Dec. 2380-2400, March 2365-2380, May 2365-2395. Sales at call: 76.

INDICES

FINANCIAL TIMES

April 1	Mar. 31	Month ago	Year ago
261.25	261.56	256.40	283.39

(Base: July 1, 1952=100).

MOODY'S

April 1	Mar. 31	Month ago	Year ago
1129.3	1125.1	1126.9	1119.6

(December 31, 1931=100).

DOW JONES

Dow Jones	April 1	Mar. 31	Month ago	Year ago
Spot	418.03	418.58	417.33	404.03
Fut'rs	428.23	428.57	429.71	416.96

(Average 1924-25-26=100)

REUTERS

April 2	April 1	M'nth ago	Year ago
1695.7	1695.6	1723.0	1705.6

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

FTA All-share index hits highest ever levels as equities continue strong advance since March Budget

Account Dealing Dates

Option *First Dealings	Declara- tions	Last Dealings	Account Day
Mar. 16	Mar. 26	Mar. 27	Apr. 6
Mar. 30	Apr. 8	Apr. 9	Apr. 21
Apr. 10	Apr. 29	Apr. 30	May 11

* "New time" dealings may take place from 9 am two business days earlier.

London equity markets continued their relentless advance yesterday. Investment enthusiasm showed no sign of abating and numerous sizeable rises were recorded throughout the sectors. Significantly, leading shares participated strongly after Wednesday's lull in interest and ICI along with other top-name industrials made double figures gains.

Wall Street's fresh overnight advance set the trend in London where hopes increased of another reduction soon in Minimum Lending Rate. Institutional demand was evident and, with general interest continuing throughout the trading session, the stock shortage in many areas of the market became acute. Illustrating the strong performance of the leaders, the FT 30-share index advanced without interruption to close 12.1 up at the day's best of 541.9. Reflecting this strength and the continued firmness of secondary issues, the broader based FT-Actuaries All-Share index established an all-time peak of 317.01 up 1.8 per cent.

Of the sectors, Foods stood out again in company with Engineerings and Insurances. Overall activity was enlivened by another big business in "bed and breakfast" deals, yesterday being the last day for such transactions in the current financial year.

British Funds remained in good heart, although interest was inhibited to some extent by the need to conserve funds for calls, totalling over £700m, on existing stock in the next seven days. Early gains ranging to ½ among mediums and longs were eventually halved, but quotations were trending firmer in the after-hours' dealings. Interest at the short end of the market centred on first-time dealings in the new £15-paid tap, Treasury 11½ per cent 1985. Early demand enabled the Government broker to sell stock at 15$\frac{1}{16}$ and remain open to bids at that level.

Traded options attracted a total of 1,541 contracts. BP were to the fore with 327 deals, while ICI and GEC recorded 231 and 204 trades respectively.

Euroflame, a distributor of wood burning stoves, made a bright debut on the Unlisted Securities Market; from an opening level of 36p, the shares moved up to 39p, which compares with the placing price of 30p. Elsewhere in recently-issued equities, **British Aerospace** attracted fresh investment support and attained the highest level yet of 206p, a net gain of 11.

Insurances up again

A detailed appraisal of the unexpectedly good preliminary statements reported by four major concerns on Wednesday, helped Insurances make good progress. **Sun Alliance** jumped 27 more for a two-day advance of 75 to 849p, after 852p, while **GRE** put on 14 further to 362p and **Phoenix** added 8 at 284p. **Legal and General** improved 5 to 250p, while **Pearl** put on 6 at 466p; *the latter's annual results* are due on April 15. **Equity and Law** closed 8 better at 378p and **C. E. Heath** gained 7 to 240p.

The major clearing banks closed at the day's best. **Barclays** rose 10 to 392p, **Lloyds** firmed 8 to 338p as did **NatWest**, to 358p, and **Midland** ended 6 better at 318p. Renewed profit-taking took **Royal Bank of Scotland** down to 130p before a late rally left a close of 137p, up 3 on balance.

A good two-way business was transacted in the drinks sector. Among Wines and Spirits, **Distillers** revived with a gain of 6 to 198p, while **Arthur Bell** firmed 8 for a two-day rise of 16 to 192p. Breweries were featured by **Allied**, 3½ dearer at 71p on yield considerations. **Bass** added 5 at 218p and **Whitbread** 4 at 152p.

Leading Buildings made further headway. Gains of 4 were seen in **Ready Mixed Concrete**, 208p and **BPB**, 284p, while Tarmac picked up 5 at 336p. **Taylor Woodrow**, preliminary results due soon, firmed 5 to 573p and **Costain** 4 to 242p. **Tilbury Contracting**, at 225p, and **Aberdeen Construction**, at 180p, gained 8 apiece, as did **Barratt Developments**, at 240p. Elsewhere, **Feb International** attracted speculative interest, the Ordinary rising 7 to 80p and the A 4 to 68p. **Milbury** were also wanted and put on 4 at 44p.

ICI, overshadowed for some while by the poor preliminary results and dividend cut, found support and, in a market none-too-well supplied with stock, jumped 14 to 258p, after 260p. **Fisons** picked up 4 at 158p and **Laporte** *revived with a gain of* 5 to 95p. **Rentokil** became a good market at 161p, up 7.

Stores firm

Leading Stores, quiet of late, attracted renewed support and closed with useful gains. **House of Fraser**, annual results due later this month, rose 4 to 150p, *GUS A added 5 at 483p and* **Marks and Spencer** 3 at 128p. Secondary issues usually closed higher, although profit-taking after the annual results left **House of Lerose** 4 cheaper at 88p. **L J. Dewhirst**, preliminary results due on April 15, jumped 6 to 79p, while **Lee Cooper** added a like amount at 172p. The full-year results from **Austin Reed** proved to be better-than-expected and the A rose a penny to 91p, after 92p. **Waring and Gillow** put on 6 at 143p.

Electricals were well to the fore in the upsurge. Good buying, some on institutional account, found stock in short *supply and double-figured gains* were recorded. **Standard Telephones and Cables** jumped 25 to 540p, still on expectation of big orders from British Telecom in the wake of its plans to raise £300m plus. **BICC** advanced 16 to 248p, while **Thorn EMI**, 346p, and **Philips' Lamps**, 395p, improved 10 apiece. **Farnell** rose 20 to 415p and improvements of 10 and 15 respectively were seen in **Ferranti**, 600p, and **Electrocomponents**, 710p. **Cambridge Instruments** were active and closed ¾ dearer at 1p, after 1¼p, on news of the share deal with the National Enterprise Board.

Active conditions prevailed in the *Engineering with* buyers enthused by recovery hopes. Of the leaders, **Hawker** were favoured ahead of the preliminary results, due on April 15, and closed 14 up at 332p, after 336p. **GKN** added 7 at 152p and **Tube Investments** rose 4 to 218p. Elsewhere, **Staveley Industries** jumped 14 to 270p and **Ash and Lacy** put on 9 at 222p. Still reflecting its nuclear orders, **Northern Engineering** rose 5 afresh to 87p, while **Babcock International** firmed 5 to 131p after comment on the results. **Tax Abrasives** revived with a rise of 7 to 42p, **Mining Supplies** put on 6 at 164p and **Haden Carrier** firmed 8 to 280p. By way of contrast, **Desoutter** lost 8 to 108p on news of the interim dividend ommission and first-half deficit. **British Aluminium** shed 5 to 115p following the chairman's profits warning. Renewed selling after details of its financial reconstruction left **Weir Group** down 3 for a two-day fall of 5½ at 20p.

Demand for Food issues continued and the sector displayed several double-figure gains. Among Retailers, **J. Sainsbury** firmed 10 to 410p and **Linfood** gained 11 to 155p, while **Kwik Save** put on 8 at 212p and **Lennons** added 4 at 49p, the last-named on speculative buying. **William Morrison** advanced 30 to 262p, after 268p, on the good preliminary results and proposed 100 per cent scrip issue. Elsewhere, **British Sugar** slipped to 288p before closing a penny better on balance at 290p; **S. and W. Berisford's** decision on whether or not to renew its bid for the former is not expected until next week. **Berisford** gained 10 to 123p.

Standing around 5 higher awaiting the preliminary results, *Ladbroke touched 308p following* the announcement before easing back to close only 2 dearer on balance at 302p. Also in Hotels and Caterers, **Queen's Moat Houses** firmed 2 to 50½p after the increased annual profits and proposed two-for-five scrip issue.

Glaxo better

Buying ahead of the interim results due on April 13 left Glaxo up 14 at 322p, after 324p. Other miscellaneous industrial leaders also made good progress with **Turner and Newall** finishing 6 higher at 92p on revived suggestions of a bid, possibly from a South African source. Comment on the preliminary figures helped **Reckitt and Colman** *put on 8 more to 246p*, *while* **Beecham** gained 5 to 183p and **Metal Box** 4 to 194p. Elsewhere, **Bruntons Musselburgh** touched *117p before closing a net* 13 higher at 106p on the better-than-expected results. **J. B. Holdings** advanced 12 to 70p and **Grampian Holdings** 8 to 63p for a similar reason. Dry cleaning issues attracted good support with **Johnson Group Cleaners** particularly favoured at 213p, up 21, while **Sketchley** put on 8 to 259p and **Spring Grove** appreciated 8 to 112p. **Powell Duffryn** gained 15 to 252p and **Aeronautical and General** added 20 to 420p.

Ricardo at 510p recovered 25 of its recent sharp fall which followed the disappointing interim figures. **Thermal Syndicate**, on the other hand, lost 4 to 100p, after 99p, in reaction to details of the proposed £1.38m rights issue. **Applied Computers** gave up 8 to 115p, after 110p, and **Standard Industrial** cheapened 7 at 70p.

Leisure issues continued to attract buyers. **Pleasurama** rose 7 *more, to 260p and* **Saga Holidays** gained the same amount at 315p. **Black and Edgington**, a rising market lately in front of *the annual results, shed a penny* to 49p on news of the loss and dividend cut.

Oils better

Institutional support based on *recovery hopes lifted* **Lucas** 7 more to 204p. Distributors often closed with useful rises with interest again noted for **Godfrey Davis**; *in their slimmed-down* form and the shares jumped 8 more to 96p. **British Car Auction** rose 6½ to 84p, while **Henlys**, 98p, *and* **Arlington**, 96p, *added 4 and* 3 respectively.

A closer assessment of Pergamon's rescue proposals clipped 2 more from **BPC** at 15½p. Among agencies, late support took **Mills and Allen** up 23 to 383p. Elsewhere, **DRG**, 100p, and **McCorquodale**, 136p rose 4 and 9 respectively. Among Newspapers, **Pearson Longman**, dull of late, *rallied 4 to 175p*. **Gordon and Gotch** closed 9 to the good at 170p.

Properties stayed firm on interest rate optimism. **Land Securities** gained 5 to 433p and **MEPC** 4 to 252p, while **Hammerson A** closed 15 better at 660p. Elsewhere, **London and Provincial Shop** advanced 13 to 463p and **Brixton Estates** gained 5 to 154p. Speculative support prompted gains of 8 in **Mountview Estates**, 202p, and **Phoenix Mining and Finance**, 74p while **R. Green** put on 5 at 92p. Against the trend, **Marler Estates** shed 2 for a two-day fall of 8 to 78p on the announcement that bid talks *with an unnamed party had been* terminated.

Hamersley surge ahead

Revived demand was noted for recently dull Oil shares, several of which appeared in the list of the day's most active stocks. **British Petroleum** rallied 18 to 390p and **Shell** picked up 12 to 376p, while **Ultramar** advanced 18 to 490p and **Burmah** firmed 6 to 161p. Press comment stimulated **Charterhall** which gained 4 to 78p, while, among overseas issues, **Global Natural Resources** attracted good support and put on 145 to 790p.

Despite the substantial loss and dividend omission, **Carpets International** firmed 2 to 19p. Other Textiles also trended firmer and recent speculative favourite **Sirdar** improved 6 more to 184p.

Rothmans added 5 at 62p in the late trading on the news that the company is involved in talks with **R. J. Reynolds**.

The narrow movements in the bullion prices and a quiet day in South African Golds left Australians to make the running in mining markets.

News that CRA is offering to acquire the remaining 17.68 per cent of Hamersley not already owned saw **Hamersley** soar 80 to 235p; *CRA dipped to 239p before* closing a net 7 cheaper at 241p.

The rest of the Australian market moved ahead strongly in *sympathy*. **Northern Mining** featured, the fully paid jumped 20 to a 1981 high of 180p and the partly paid 17 to a high of *172p as heavy speculative buying persisted amid strong bid* rumours; **Endeavour Resources** recently increased its holding in *Northern Mining* to 19.76 per cent.

South African Golds were quietly firmer with the Gold Mines index 3.5 higher at 345.2. The bullion price closed 3 to the good at $520.50 an ounce. **Cons. Modderfontein** featured cheaper priced issues with a rise of 12 to 97p on persistent London and Johannesburg support: the latter's recent rights issue was under-subscribed.

Financials were mixed. **Minorco** dropped 35 to 665p following the sharp fall in the 17.4 per cent owned Engelhard *Minerals in overnight American* markets.

South Africans edged higher with **UC Investments** prominent and finally 15 up at a year's high of 560p. **De Beers** rose 10 to 383p.

London Financials were barely changed despite the sharp gains in UK equities. **RTZ** hardened 2 to 467p: the price in yesterday's issue was incorrect.

Elsewhere further consideration of the proposed tin/tungsten *prospect in Devon lifted* **Hemerdon Mining and Smelting** to a 1981 high of 100p before a close of 95p, a net gain of 15 and a two-day rise of 22.

FINANCIAL TIMES STOCK INDICES

	Apr. 2	Apr. 1	Mar. 31	Mar. 30	Mar. 27	Mar. 26	A year ago
Government Secs.	70.10	70.13	69.84	69.62	70.16	70.18	64.98
Fixed Interest	71.59	71.57	71.41	71.35	71.94	72.00	65.37
Industrial Ord.	541.9	529.8	528.1	518.8	521.3	518.9	432.1
Gold Mines	345.2	341.7	341.0	352.7	370.1	361.1	284.7
Ord. Div. Yield	6.04	6.17	6.21	6.33	6.29	6.31	8.02
Earnings, Yld.%(full)	12.07	12.34	12.40	12.63	12.56	13.35	19.65
P/E Ratio (net) (*)	10.40	10.17	10.12	9.94	10.00	9.27	6.24
Total Bargains	37,620	34,139	32,066	30,052	29,621	29,260	33,866
Equity turnover £m.	—	182.86	164.45	140.82	204.75	206.76	109.73
Equity bargains total	—	31,919	30,599	26,118	27,759	28,478	24,616

10 am 531.3. 11 am 533.8. Noon 536.7. 1 pm 536.9.
2 pm 537.9. 3 pm 541.2.
Latest Index 01-246 8026.
*Nil=9.66.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	68.05 (16/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	541.9 (2/4)	446.0 (14/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (23/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 1	Mar. 31
—Daily Gilt Edged Bargains	207.3	187.6
Equities Bargains	306.8	198.3
Value	369.6	332.4
5-day Avrge. Gilt Edged Bargains	187.1	179.0
Equities Bargains	187.7	179.5
Value	363.7	357.0

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (392)

BRITISH FUNDS (6)
FOREIGN BONDS (2)
AMERICANS (7)
CANADIANS (2)
BANKS (4)
BEERS (6)
BUILDINGS (32)
CHEMICALS (10)
DRAPERY & STORES (12)
ELECTRICALS (20)
ENGINEERING (38)
FOODS (19)
HOTELS (6)
INDUSTRIALS (61)
INSURANCE (11)
LEISURE (3)
MOTORS (10)
NEWSPAPERS (6)
PAPER (5)
PROPERTY (39)
SHIPPING (1)
SHOES (2)
TEXTILES (7)
TOBACCOS (1)
TRUSTS (68)
OIL & GAS (4)
OVERSEAS TRADERS (1)
RUBBERS (2)
MINES (7)

NEW LOWS (19)

BANKS (1)
Credit France
BUILDINGS (1)
Vectis Stone
ELECTRICALS (1)
Derritron
ENGINEERING (4)
Boulton (Wm.) Sykes (Henry)
Concentric Tace
INDUSTRIALS (7)
Burndene Standard Ind.
Dom Hldgs. "W" Ribbons
Extel Wilkins & Mitchell
Rock Darham
MOTORS (1)
York Trailer
SHOES (1)
Scott (David)
OILS (1)
New Court Nat.
MINES (2)
Coronation Central Pacific

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	32	9	54
Corpns., Dom. and Foreign Bonds	9	1	55
Industrials	432	151	786
Financial & Props.	205	36	252
Oils	27	19	31
Plantations	2	4	17
Mines	70	20	75
Others	50	25	64
Totals	827	265	1,334

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Thurs., April 2, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed. April 1 Index No.	Tues. March 31 Index No.	Mon. March 30 Index No.	Fri. March 27 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	347.05	+1.4	11.12	4.62	11.09	342.27	338.13	333.77	334.32	232.36
2	Building Materials (25)	310.05	+0.8	14.52	5.60	8.26	307.60	303.95	301.77	304.78	225.30
3	Contracting, Construction (28)	579.79	+0.8	16.19	4.65	7.35	575.46	570.79	563.70	564.31	351.97
4	Electricals (27)	1104.98	+1.5	7.94	2.44	15.62	1088.97	1076.09	1055.59	1055.85	605.08
5	Engineering Contractors (11)	456.56	+2.7	12.44	5.67	10.14	444.65	431.52	431.63	430.95	272.94
6	Mechanical Engineering (71)	211.26	+1.4	12.92	5.88	9.81	208.35	205.18	202.57	202.09	157.52
8	Metals and Metal Forming (13)	160.70	+2.9	10.47	8.25	12.64	156.13	154.46	153.37	155.96	160.32
9	Motors (21)	100.09	+1.8	10.42	8.35	12.58	98.30	96.97	94.97	95.13	103.78
10	Other Industrial Materials (18)	359.55	+1.2	11.55	5.68	10.36	355.29	352.85	351.74	350.42	0.00
21	CONSUMER GROUP (196)	270.40	+1.6	13.84	5.81	8.78	266.21	264.67	261.97	263.37	207.02
22	Brewers and Distillers (20)	292.01	+2.3	15.86	6.27	7.48	285.46	289.09	286.31	288.82	261.85
25	Food Manufacturing (22)	253.41	+0.8	15.80	6.24	7.51	251.35	247.02	244.69	245.11	186.59
26	Food Retailing (14)	538.43	+2.7	8.39	3.00	14.08	524.08	515.29	511.81	511.42	295.39
27	Health and Household Products (7)	294.84	+3.1	9.14	4.86	12.99	285.87	280.79	275.84	276.94	196.74
29	Leisure (22)	407.69	+1.4	13.01	5.48	9.56	402.26	398.31	394.21	397.20	289.10
32	Newspapers, Publishing (12)	490.30	+0.3	17.90	6.04	7.30	489.01	484.70	480.89	488.83	401.58
33	Packaging and Paper (14)	140.78	+1.7	21.46	8.20	5.41	138.48	137.57	135.99	138.44	125.62
34	Stores (44)	269.08	+0.9	11.00	4.70	11.92	266.70	266.35	263.83	265.67	212.53
35	Textiles (21)	152.14	+1.4	14.44	8.77	9.35	150.02	148.32	147.25	146.36	118.38
36	Tobaccos (3)	222.80	+1.6	25.51	10.45	4.47	219.38	218.59	215.94	216.52	202.65
39	Other Consumer (17)	274.42	+0.2	9.40	7.01	13.41	273.87	271.94	269.71	268.20	0.00
41	OTHER GROUPS (78)	226.99	+2.4	13.75	6.67	8.97	221.68	220.48	218.08	217.29	197.36
42	Chemicals (15)	270.26	+4.2	11.98	7.73	10.59	259.25	258.52	253.96	252.13	295.47
44	Office Equipment (6)	119.62	+0.7	15.56	6.94	7.62	118.81	117.19	115.39	115.34	109.97
45	Shipping and Transport (13)	615.97	+0.7	13.81	6.01	8.66	611.63	612.42	610.04	607.30	459.78
46	Miscellaneous (44)	293.47	+1.6	15.15	5.70	8.12	288.91	286.41	284.88	284.77	231.40
49	INDUSTRIAL GROUP (488)	290.49	+1.6	12.79	5.46	9.57	285.88	283.55	280.34	281.13	220.12
51	Oils (12)	814.05	+4.0	22.77	6.93	5.05	782.54	796.36	795.79	816.07	748.64
59	500 SHARE INDEX	332.26	+2.1	14.68	5.74	8.19	325.56	324.46	321.44	323.74	261.84
61	FINANCIAL GROUP (118)	260.32	+1.5	—	5.38	—	256.44	253.84	251.60	254.38	188.72
62	Banks (6)	239.57	+2.3	34.12	7.53	3.53	234.21	234.54	231.74	236.52	205.16
63	Discount Houses (10)	307.34	+0.2	—	6.03	—	306.68	305.34	305.13	304.79	211.87
64	Hire Purchase (4)	273.54	—	8.23	4.54	16.81	273.41	272.00	272.29	271.72	189.99
65	Insurance (Life) (10)	274.72	+1.4	—	5.20	—	270.95	264.21	263.77	265.24	166.59
66	Insurance (Composite) (9)	171.62	+1.8	—	7.16	—	168.51	163.80	161.14	163.97	122.21
67	Insurance Brokers (8)	356.97	+0.9	12.69	6.44	10.61	353.66	352.99	350.42	352.34	287.38
68	Merchant Banks (13)	159.43	+0.5	—	4.92	—	158.67	158.02	157.88	157.51	99.63
69	Property (48)	517.77	+1.3	2.93	2.42	47.10	511.09	508.98	504.13	508.26	360.79
70	Miscellaneous (10)	174.13	+1.0	18.11	5.94	6.78	172.45	172.44	173.07	172.66	127.95
71	Investment Trusts (109)	302.68	+0.5	—	5.09	—	301.11	298.01	297.10	297.49	207.03
81	Mining Finance (3)	238.87	−0.6	14.16	5.62	8.38	240.32	235.23	236.72	239.30	184.88
91	Overseas Traders (20)	455.10	+1.6	11.69	6.49	10.53	448.04	445.94	445.34	450.07	396.58
99	ALL-SHARE INDEX (750)	317.01	+1.8	—	5.65	—	311.45	309.73	307.17	309.51	244.40

FIXED INTEREST PRICE INDICES

	British Government	Thurs. April 2	Day's change %	Wed. April 1	xd adj. today	xd adj. 1981 to date
1	5 years	109.32	+0.07	109.24	—	2.48
2	5-15 years	112.69	+0.01	112.68	—	2.97
3	Over 15 years	117.85	+0.01	117.84	—	2.77
4	Irredeemables	130.03	+0.04	129.98	—	1.78
5	All stocks	113.05	+0.03	113.02	—	2.69
6	Debentures & Loans	88.07	+0.08	88.00	—	3.47
7	Preference	68.00	+0.05	67.96	—	2.88

FIXED INTEREST YIELDS — British Govt. Av. Gross Red.

			Thurs. April 2	Wed. April 1	Year ago (approx.)
1	Low Coupons	5 years	11.39	11.48	13.05
2		15 years	11.96	11.95	12.86
3		25 years	12.03	12.03	12.86
4	Medium Coupons	5 years	13.01	13.02	14.91
5		15 years	13.43	13.43	14.49
6		25 years	13.12	13.11	14.30
7	High Coupons	5 years	13.01	13.02	14.97
8		15 years	13.63	13.63	14.80
9		25 years	13.25	13.23	14.69
10	Irredeemables†		11.43	11.43	12.41
11	Debs & Loans	5 years	14.15	14.12	15.44
12		15 years	14.29	14.38	15.27
13		25 years	14.29	14.31	15.10
14	Preference†		14.36	14.37	15.78

† Flat yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bridon	58	—	JB Holdings	70	+12
BP	390	+18	Ladbroke	302	+2
Burmah	161	+6	LASMO	583	+8
GEC	893	+5	Morrison (Wm.)	262	+30
Glaxo	322	+14	Spring Grove	112	+8
Global Nat. Res.	790	+145	Sun Alliance	849	+27
Hawker Siddeley	332	+14	Ultramar	490	+18

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Wed.'s closing price pence	Day's change	Stock	No. of price changes	Wed.'s closing price pence	Day's change
GEC	29	607	+10	Premier	20	92	−3½
Shell	26	364	−10	ICI	19	244	—
Burmah	25	155	−9	BP	18	372	−4
Unilever	24	518	+18	GKN	18	145xd	+1
Cons. Gold	23	475	+13	Royal Ins.	18	390	+13
Babcock Int.	22	126	+12	KCA	17	204	—
LASMO	21	575	−18	Plessey	17	333	+4

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 23	Apr. 3	June 25	July 6
Apr. 6	Apr. 17	July 9	July 20
Apr. 21	May 1	July 23	Aug. 3

For rate indications see end of Share Information Service

Stocks favoured for the call included **Automotive Products**, **Charterhall**, **Keith Collins Petroleum**, **Avana**, **Burmah**, **Concord Rotaflex**, **British Land**, **FNFC**, **Town and City Properties**, **ICI Burmah**, **Premier Oil**, **Turner and Newall**, **D. M. Lancaster**, **Britannia Arrow** and **MDW**. Puts were completed in **Tubes**, **GKN**, **Lucas** and **Alpine Holdings**, while a double was transacted in **Burmah**.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P/E Ratio
150	F.P.	3/4	206	170	British Aerospace 50p	206	+11	b7.8	2.0	5.4	15.2
10	F.P.	27/3	18½	13¼	✻Crest Int Scs. 10p	18½	+4	—	—	—	—
100	F.P.	1/5	120	105	Cystic Fibr Inv Tst £1	115		—	—	—	—
‡	F.P.	—	175	112	†† Eglinton Oil & Gas	153		—	—	—	—
75½	F.P.	30/4	105	88	Espley-Tyas Prop	94		b3.92	1.2	6.0	19.5
30	F.P.	—	39	36	✻Euroflame	39		b2.1	2.5	7.7	7.4
18½	F.P.	—	22	20½	Munton Bros. 10p	20½		—	—	—	—
100	F.P.	13/3	102	92	New Darien Oil Trust	93		—	—	—	11.6
—	F.P.	—	57	44	Do. Warrants	53		—	—	—	—
42	F.P.	13/5	45	38	Oil & Gas Production	38		—	—	—	—
4.2	P.P.	13/5	9	7½	Do. (80.01 pd.)	8	−1	—	—	—	—
100	F.P.	21/4	101	98	T. R. Energy	98		—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price £	+ or −
•	F.P.	—	34p	33p	Colonial Secs. 7% Cum. 2nd Pref. 5p	33p	.....
100	F.P.	1/5	74	70	Cystic Fibrosis Res'ch In. Tst. 5% Deb. '86	70	.....
97¼	£10	10/7	11	10⅜	Leeds (City of) 13⅛% Red. 2006	10½	+⅛
‡	F.P.	20/3	170p	147p	Sterling Credit 8% Cnv. Red. Cum. Prf.	165p	.....
•	F.P.	26/6	102½	102½	Sutton District Water 8% Pref.	102½	.....
•	£10	4/6	11	11	West Hampshire Water 8% Red. Prf. '86	11	.....

"RIGHTS" OFFERS

Issue Price p	Amount paid up	Latest Renunc. Date ●	■	1981 High	1981 Low	Stock	Closing price p	+ or −
154	F.P.	9/3	22/5	220	171	Assoc. Dairies	218	−2
2	Nil	8.4	29/5	3½pm	2pm	Barker & Dobson A	3½pm	+½
$A9	Nil	—	—	280pm	175pm	Broken Hill Prop.	280pm	+5
48	Nil	—	—	13pm	8pm	I.M.I.	13pm	.....
A1⅝	Nil	—	—	47pm	33pm	Woodside	44pm	+2

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ *Offered to holders of ordinary shares as a "rights."* ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✣ *Unlisted Securities Market.* ‡‡ *London Listing.* ‡ *Resulting from debt settlement scheme.* ‡‡ Units comprising 125 A Ord. & 6 12½% Com. Prf.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 96.9 97.0 +0.1 13.92
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Grueneburgweg 113, 6000 Frankfurt
Investa DM31.40 33.10 +0.20 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. March 24 $4.46 4.68 ..... —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM16.57 16.98 +0.18 —
Int. Rentenfonds DM59.46 60.95 ..... —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV Mar. 31 US$32.18 34.15 +0.80 —

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. 158.5 170.3 ..... 2.20

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* 65.5 69.7 ..... 7.17
E. A. Sterling* 167.69 67.73xd ..... —
E. A. Equity* 69.47 73.91 ..... 1.65
Wardgate Cm. Fd.** 16.97 17.66 −0.43 2.95
*Next dealing April 8. **Next dealing April 30.

Eurobond Holdings N.V.
Pietermaal 15, Willemstad, Curacao.
London Agents: Intel 15 Christopher St., EC2.
Tel: 01-247 7243. Telex 8814408.
Euro Hldgs. US$19.77 20.34 ..... 9.28

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281
Europe-Obligations US$43.75 +0.08 1.92

F & C Mgmt. Ltd. Inv. Advisers
1, Laurence Pountney Hill, EC4. 01-623 4680
Centenary Fd. US$12.01 ..... 1.17
F. & C. Oriental Fd. US$23.56 ..... —
Prices March 25. Weekly dealings.

Fidelity International Ltd.
P.O. Box 670, Hamilton, Bermuda.
8, Queensway Hse., Queen St., St. Helier, Jersey, C.I. 0534 71696
American Assets US$40.49 ..... 1.18
Am. Vals. Com.Pf. $3* $101.00 +0.25 —
American Vals. Com.* $19.03 ..... —
Dollar Savings Trust US$77.74 +0.03 14.33
Far East US$33.36 +0.04 —
International US$46.19 ..... —
Pacific US$112.16 ..... —
World US$26.17 ..... —
Gilt Fund 24.1 24.3 ..... 12.86
*Prices at April 1.

First Viking Commodity Trusts
10-12 St. George's St., Douglas, IoM. 0624 25015
Fst. Vik. Cm. Tst. 26.3 27.7 ..... 5.90

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming March 31 US$73.91 ..... —

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins DM37.38 40.85 ..... —
Frankft. Effekt. Fd. DM51.02 53.71 ..... —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Feb. 27 US$145.95 ..... —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:
Anchor 'B' Units US$1.85 1.90 ..... 1.14
Anchor Gilt Edge £9.20 9.26xd +0.01 13.71
Anchor Int. Fd. US$9.02 9.25 +0.03 1.14
Anchor In. Jsy. Tst. 43.8 46.7 ..... 2.57
Berry Pac Fd. US$64.94 +0.14 0.85
Berry Pac Strlg. £3.58 3.744 +628 1.11
G.T. Asia Fd. HK$20.98xd −0.27 1.19
G.T. Asia Sterling £27.23 28.34 −0.12 1.47
G.T. Australia Fd. A$39.99 ..... 0.74
G.T. Bond Fund US$12.27 +0.02 11.00
G.T. Dollar Fd. US$13.81 ..... 1.09
G.T. Dlr. (Strlg.) Fd 14.67 15.28 ..... 1.02
G.T. Invest. Fd. US$18.44 +0.02 0.54
G.T. Japan Small Cos. US$14.82 ..... —
Marianne (STG) Fd. £9.84 10.40xd −0.80 6.00
G.T. Technology Fd. US$24.98 ..... —
G.T. Pacific Fd. US$16.31 +0.12 0.21
G.T. Asean Growth Fd. US$11.27 12.06 ..... 0.44

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Axe, London, EC3. 01-283 3531
Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gilt Fund (Jersey) 90.0 95.0 ..... 12.90
Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong
Australian Tst. US$11.80 12.75 ..... —
HK & Pac. U. Tst. HK$7.852 8.36 ..... 2.60
Japan Fd. US$25.24 27.18 ..... 0.60
N. American Tst. US$23.78 25.49 ..... 1.00
Intl. Bond Fund US$11.40 12.01 ..... 13.30

Gartmore Fund Managers (IOM) (a)
P.O. Box 32 Douglas, Isle of Man. Tel. 0624 23911
Gartmore Intl. Inc. 23.6 25.1 ..... 12.20
Gartmore Intl. Grth. 138.5 147.3 ..... 0.30

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.
Sterling Managed Fd. £107.75 ..... —

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Granville Inv. Tst. £6.81 7.16 ..... 5.24
Next dealing day April 15.

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Intl. Fund £21.57 22.28 ..... 10.10
Prices at Mar. 25. Next dealing April 30.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong.
Far East April 1 HK$25.73 27.16xd ..... —
Japan Fund March 27 US$18.44 19.98 ..... —

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521
†Capital Reserve Fd. £12.96 12.97 ..... 0.22
C.I. Fund 205.0 218.3 ..... 3.63
Special Sits. Fund 72.2 76.1xd 2.30
Intnl. Bond US$99.86 105.12 ..... 9.9[illegible]
Int. Equity US$17.45 18.58 ..... 0.81
Int. Svgs. 'A' $US 1.24 1.31 ..... —
Int. Svgs. 'B' 1.82 1.92 ..... —
Prices on April 1. Next dealing April 8.
†Excludes initial charge on small orders.

Henderson Admin. (Guernsey) Ltd.
7 New St., St. Peter Port, Guernsey 0481 26541/2
American (US cents) 134.7 141.8 ..... —

Henderson Baring Group
801, Gloucester, 11, Pedder, Hong Kong
Japan Fund* April 1 US$30.83 31.32xd −0.13 —
Japan Tch.* Mar. 30 US$18.46 19.25 ..... —
Malay Sngp.* Mar 31 US$20.16 21.51 ..... —
Pacific Fnd.* April 1 US$18.20 18.79xd −0.51 —
Bond Fd.* Mar. 26 US$10.80 10.55 ..... 9.00
PO Box 71, 7 New St., Peter Port, Guernsey, CI.
Gilt Fd.† £9.62 9.72xd −0.28 13.00
*Inclusive of Preliminary charge. †Weekly dealings.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. 201.7 215.8 +0.8 3.00

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381
HS Channel Is. Fd. 146.8 156.6 ..... 3.25
H.S. Fixed Int. Fd. 94.0 99.0 ..... 12.50

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† US$2.71 2.88 ..... 0.59
OCSm. Co.*** 119.4 127.0xd 2.60

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

AbbeyAm.Gth.Tst.(z)	60.5	65.3	+0.5	2.23
Abbey Capital	48.1	52.0xd	+0.4	4.24
Abbey General(z)	58.5	63.3	+0.9	4.86
Abbey Gilt&F.I.Tst(z)	107.8	113.5xd	+0.2	11.54
Abbey Income(z)	37.2	40.2xd	+0.6	8.74
Abbey W'wide.Tst.(z)	94.8	100.3	-0.8	6.68
Abbey Inv.Tst.Fd.(z)	52.1	56.3	+0.2	4.26
Equitas Prog.Tst.(z)	84.2	90.9	+1.0	4.50

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	87.9	92.5	.....	12.60

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	93.2	99.7	+1.3	5.62
Brit. Inds. Fund	81.8	87.5	+1.2	5.83
Growth & Income	53.8	57.6	+0.7	4.69
Elect. & Ind. Dev.	47.5	50.8	+0.6	4.92
Allied Capital	101.2	108.3xd	+1.8	4.06
Hambro Fund	138.5	148.2	+2.0	5.61
Hambro Acc. Fund	190.7	204.0	+2.5	4.46
Income Funds				
High Yield Fd.	68.2	73.0xd	+0.6	8.22
High Income	82.9	88.7xd	+1.1	7.29
Equity Income Fd.	47.9	51.3	+0.7	7.33
Govt. Secs.	26.6	27.3	.....	11.36
International Funds				
International	36.1	38.7	+0.3	2.07
Japan Fund	25.6	27.4	.....	0.23
Pacific Fund	70.0	74.9	+0.6	1.09
Secs. Of America	79.2	84.7	+0.7	1.89
Specialist Funds				
Smaller Co.'s Fd.	59.1	63.2	+0.2	4.11
2nd Smlr. Co's Fd.	73.8	79.0xd	+0.7	3.80
Recovery Sits.	146.3	156.5	+1.3	4.86
Met. Min. & C'dty.	69.1	73.9	+0.1	5.14
Overseas Earnings	72.2	77.3	+0.9	4.77
Exempt Funds♦				
Income Exempt	53.1	55.8	+0.4	7.62
Far East Exempt	73.8	76.7	+0.6	0.96
Smaller Co. Exempt	95.2	100.0xd	+0.9	4.00
U.S.A. Exempt	131.6	136.9xd	+0.6	2.37

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	70.3	75.4xd	.....	3.83

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	154.0	164.0	.....	12.00
Leics.&Gen.Fd.	50.0	53.0	.....	—

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8827

Wieler Gwth Fd. Inc.	40.1	42.2	.....	3.41
Do. Accum.	51.1	53.8	.....	3.41

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital†	35.0	37.7	.....	—
Commodity***	94.4	101.0	+0.1	2.59
(Accumulation)	147.7	158.0	+0.1	2.59
(10% Withdrawal)	71.2	76.1	+0.1	2.59
Eastern & Internatl.†	43.9	47.3xd	.....	1.00
(6% Withdrawal)	30.1	32.4xd	.....	1.00
Extra Income	98.9	106.4	+0.8	9.28
(Accumulation)	118.2	127.1	+1.0	9.28
Finance & Property*	28.0	30.2	.....	3.60
Foreign††	140.2	146.1	.....	1.06
Giants	49.2	52.6	+0.4	4.44
(Accumulation)	64.4	68.9	+0.6	4.44
Gilt & Fixed	43.4	45.5	+0.1	11.97
(Accumulation)	46.9	49.2	.....	11.97
Growth	43.5	46.5	+0.2	4.31
(Accumulation)	57.3	61.3	+0.4	4.31
High Income	37.4	40.0	+0.4	9.11
(Accumulation)	63.6	68.0	+0.5	8.63
(8½% Withdrawal)	49.6	53.0	+0.3	8.63

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Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	42.1	45.8	+0.2	0.55
Cres. Internat'l.	84.0	90.7	+0.6	1.72
Cres. High. Dist.	47.3	51.0	+0.5	9.31
Cres. Reserves	52.5	56.7	+0.7	5.18
Cres. Tokyo	34.1	37.4	+0.2	0.94

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.5	25.0xd	.....	9.34

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Mar. 27	249.5	266.3	.....	4.88

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.5	20.4	.....	6.92
Gt Winchester O'seas	27.6	30.6	.....	3.47

For Emson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	92.4	97.2	+1.1	4.47

Fidelity International Management Ltd.
62-69 Queen St, London EC4 1AD 01-248 4871

American (z)	37.7	40.6	+0.2	0.65
Ameri.Spec.Sits. (z)	27.5	29.6	+0.3	0.62
Gilt + Fixed Int.	25.7	27.6	.....	11.70
Growth + Income	33.8	36.4	+0.6	6.59
Maximum Inc. Eq. Tst.	28.4	30.6	+0.3	8.22
Special Sits.	42.4	45.6	+0.1	1.71

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	40.0	43.0xd	.....	1.68
Accum. Units	49.6	53.3xd	.....	1.68
J. Finlay High Income	37.1	39.9xd	.....	9.67
Finlay Wld. Energy	18.5	19.9xd	+0.1	1.88
Accum. Units	24.0	25.8xd	+0.3	1.88
J. Finlay Fd.In.Tst.	39.6	42.6xd	.....	5.07
Accum. Units	50.1	53.9xd	.....	5.07

Prices on April 1. Next dealing April 8.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	81.4	87.0	+0.8	0.76
Am. T'around	77.0	82.2	+0.8	1.46
Capital Tst.	63.4	67.8xd	+0.8	4.90
(Accum. Units)	67.0	71.6	+0.8	4.90
Convertible & Gilt	49.4	51.8	+0.2	9.75
(Accum. Units)	49.4	51.8	+0.2	9.75
Extra Income Trust	53.6	57.2	+0.4	9.23
Income Tst.	43.2	46.0	+0.4	7.45
Int. Growth Fd.	66.4	71.0	+0.6	1.63
(Accum. Units)	71.4	76.2	+0.6	1.63

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	87.8	94.5	.....	6.00

Friends' Provdt. Trust Mgrs. (a) (b) (c).
Pixham End, Dorking. 0306 5055

Friends Prov. Units	68.4	73.1	+0.8	4.00
Do. Accum.	98.4	105.2	+1.0	4.00

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Mar. 19	143.5	145.2	.....	4.82
Gross Inc. Mar. 19	80.7	83.3	.....	11.52
High Yield Mar. 19	93.1	94.8xd	.....	10.97

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	159.7	171.7	.....	2.10
Do. Acc.	205.2	220.6	.....	2.10
G.T. Inc. Fd. Un.	216.3	232.5	.....	8.10
G.T. U.S. & Gen	208.5	224.1	.....	1.50
GT Wld. Bd. Fd.	97.1	101.1xd	.....	5.80
G.T. Japan & Gen	108.3	116.4xd	.....	1.40
♦Gt. Pens.Ex.Fd.	360.7	379.6	.....	1.90
G.T. Int'l. Fund	248.9	267.6	.....	2.00

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99 11/16	97 3/8	Exch. 8¼pc 1981	99 13/16	+1/32	8.30	11.59
99 3/16	97¼	Exch. 9½pc 1981	99 3/16	.....	9.57	11.94
96¾	93¾	Exch. 3pc 1981	96¾	+⅛	3.10	12.86
99 7/16	99⅛	Treas. Variable '81§§	99 5/16	+1/16	12.11	13.12
100 7/16	99½	Exch. 12¾pc 1981‡‡	100 7/16	+1/32	12.70	11.91
97½	95 11/16	Treas. 8½pc '80-82‡‡	97½	.....	8.71	11.83
95	91⅞	Treasury 3pc '82‡‡	94½	.....	3.18	9.71
102 7/16	100 11/16	Treasury 14pc '82‡‡	101 15/16	.....	13.73	12.75
98⅞	98 5/16	Treas. Variable '82§§	98⅝	+1/16	12.20	13.22
95¾	93 5/8	Treasury 8¼pc '82	95⅝	+1/16	8.62	12.08
96 3/16	93 11/16	Exch. 9¼pc 1982	95¾	+1/16	9.66	12.46
94¾	92⅝	Exch. 8¾pc 1983	94 13/16	+1/16	9.24	12.15
89¼	84⅞	Exch. 3pc 1983	88⅝	.....	3.39	9.73
99⅜	97⅝	Treasury 12pc 1983‡‡	99⅛	.....	12.10	12.50
97 3/16	96¾	Treas. Variable '83 §§	97 3/16	+1/16	12.36	13.46
94¾	92¾	Treasury 9¼pc '83	94	.....	9.84	12.32
101 13/16	100¼	Exch. 13½pc '83	101¾	.....	13.26	12.67
94½	92¼	Exch. 10pc 1983	94 1/16	+1/16	10.63	12.63
87¼	84½	Funding 5½pc '82-84‡‡	87	.....	6.32	11.03
96¾	94 5/16	Exch. 11¼pc 1984	96¾	+1/16	11.62	12.60
103 3/16	101 11/16	Exchequer 14pc 1984	103⅛	+1/16	13.57	12.75
80⅝	78½	Exch. 3pc 1984	80¼	.....	3.74	10.38
98⅜	96⅝	Treasury 12pc 1984	98 3/16	+1/16	12.20	12.59
107¾	104⅞	Treasury 15pc 1985	107½	+1/16	13.95	12.48
98¾	96 13/16	Exch. 12pc Cnv. '85	98¾	+1/16	12.15	12.40
75¾	73¾	Treasury 3pc 1985	75	.....	4.00	10.63
74¾	72⅝	Do. "A"	74⅝	.....	4.02	10.75
15 3/16	15	Treas. 11¾pc '85 (£15pd.)§§	15 1/16	+1/16	11.92	12.59
98⅞	96 5/16	Exch. 12¼pc 1985	98 7/16	.....	12.44	12.69
97⅛	93¾	Exch. 11¾pc '86	96¾	+1/16	12.14	12.68

Five to Fifteen Years

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
70 3/16	69	Treasury 3pc 1986●	69½	.....	4.33	11.01
51½	20	Treas. 12pc '86 (£50 pd).	51¼	.....	12.41	12.89
87⅞	84¼	Treasury 8¼pc '84-86‡‡	87⅞	.....	9.95	12.33
103⅜	98½	Exch. 13¼pc 1987	103¼	–⅛	13.16	13.06
81¾	77¼	Funding 6½pc '85-87‡‡	77¾xd	.....	8.31	11.60
99½	93⅛	Treas. 12pc 1987	93⅜xd	+⅛	12.66	13.23
80½	76¾	Treasury 7¾pc '85-88‡‡	80¼	.....	9.83	12.43
65⅝	61⅝	Transport 3pc '78-88	64⅜	.....	4.71	10.23
[illegible]						

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ⁑ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✱ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ✱✱ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	41	......			
Bertam	13	......	Conv. 9% '80/82	£94	......
Bdg'wtr. Est. 50p	540xd	......	Nat. 9¾% 84/89	£75¾	-½
Craig & Rose £1	£11¾	......	Fin. 13% 97/02	£89¼	-½
Fife Forge	52	......	Alliance Gas	73	......
Finlay Pkg. 5p	20	......	Arnott	240	......
Graig Ship. £1	£21	+1	Carroll (P.J.)	94	-2
Higsons Brew	68	......	Concrete Prods.	90	......
Holt (Jos) 25p	435	......	Helton (Hldgs.)	28	......
I.O.M. Stm. £1	160	......	Ins. Corp.	395	......
Pearce (C. H.)	910	......	Irish Ropes	58	......
Peel Hldgs.	92	......	Jacob	50	......
Sheff. Refrshmt	103	......	T.M.G.	23	......
Sindall (Wm.)	135	......	Unidare	88	+6

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	20	Utd. Drapery	6½
BOC Intl.	11	"Imps"	7	Vickers	15
B.S.R.	4½	I.C.L.	6	Woolworths	5
Babcock	17	Inveresk	3		
Barclays Bank	36	Ladbroke	30	Property	
Beecham	15	Legal & Gen.	20	Brit. Land	8
Blue Circle	35	Lex Service	10	Cap. Counties	11
Boots	23	Lloyds Bank	28	Land Secs.	37
Bowaters	26	"Lofs"	4½	MEPC	20
B.A.T.	25	London Brick	7	Peachey	15
Brown (J.)	7	Lucas Inds.	18	Samuel Props.	13
Burton Ord.	12	"Mams"	20	Town & City	2½
		Mrks. & Spncr	9		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

FINANCIAL TIMES

Friday April 3 1981

EEC farm price rise could be 60% past estimate

CAP cost may go up £1bn

BY JOHN WYLES IN BRUSSELS

YESTERDAY'S award of a 9.5 per cent increase in Common Market farm produce prices could add almost £1bn, which is 60 per cent more than official estimates, to the cost of the Common Agricultural Policy in a full year.

According to well-informed projections the cost will be higher than the Commission's forecast because the record price rise is virtually certain to stimulate increased production of grain, milk, meat and other farm produce.

Greater output of many key commodities will mean that the EEC has to spend more on buying in, stockpiling and subsidising export of surpluses.

The Commission's estimate of a £602m or 8.5 per cent increase in farm spending does not take into account the dynamic effects of price rises on output.

It assumes that food prices on the world market will remain buoyant, helping the Community continue to economise on export subsidies.

Mr. Poul Dalsager, EEC Agriculture Commissioner, credited with having piloted the three-day negotiating marathon with some skill, publicly welcomed the agreement yesterday.

But some of his colleagues and many senior officials reacted privately with deep pessimism about the effects on the Community budget.

If the unofficial estimate of the true cost is accurate, growth of farm spending next year would consume all of the expected increase in Community budget revenues and perhaps more.

Since there is virtually no scope for raising extra money because the EEC is close to its budget ceiling, it would be difficult to maintain regional and social spending at current levels.

Officials are troubled because the package makes no credible attempt to curb surplus farm production.

It is conceded that the Commission carries a heavy responsibility, since it withdrew many of its most important earlier proposals for attacking surpluses when it saw on Monday that it would be difficult to get them adopted by farm Ministers.

Richard Mooney writes: As consumer organisations described the Brussels price deal as "scandalous" and one Tory MP called for Mr. Peter Walker's resignation as Agriculture Minister, Mr. Walker defended the EEC price package in London.

It met Britain's main objectives of containing the EEC farm budget, protecting consumer interests and stabilising farm incomes, he said.

In a full year it would add £596m to the cost of CAP, to which Britain would have to contribute 17 per cent. British farmers would get an extra £325m, and by fighting off Commission proposals to cut Britain's consumer butter subsidy by 25 per cent and abolish the beef and lamb premium schemes, consumers had been saved about £300m a year.

Mr. Walker said the EEC support price changes would raise UK food prices by about 1 per cent and add 0.2 per cent to the Retail Price Index.

The National Farmers' Union called the deal a considerable improvement on the original Commission proposals. It was relieved that Mr. Walker had resisted pressure for a Green Pound revaluation. But farmers' incomes were still likely to fall in 1981, the NFU said.

The Consumers' Association said that Mr. Walker had agreed to "an outrageous settlement." He had "caved in completely and done nothing at all for the consumer."

Mr. Tony Marlow, Tory MP for Northampton North, said the deal was "a defeat for Britain and a great victory for the French." He called on Mr. Walker to resign.

Mr. Gavin Strang, the Opposition agriculture spokesman, also condemned the settlement as "a disaster for Britain." Food prices would increase, the cost of CAP to the taxpayer rise and Britain's budget contribution "escalate."

Details, Page 35; Britain falls into line, Page 2; Editorial Comment, Page 22

Continued from Page 1

Schmidt

fundamentally the one that he, and the steel companies, make about subsidised steel industries in Britain, France and Italy.

He urged yesterday that the European steel producers reach a speedy agreement on voluntary production and delivery controls. He also attacked German steel-producers for demanding that they too be subsidised.

Leading steel industrialists sent a telegram earlier this week to the Chancellor, demanding that Bonn consider moves to give State aid to the industry and thus protect it from European competitors.

Count Lambsdorff stressed that steel-producers should concentrate on preventing collapse of the present negotiations between the EEC's leading steel-makers and abandon any idea that Bonn could or would subsidise them.

Robert Mauthner writes from Paris: M. Jacques Chirac, the official Gaullist candidate in the French Presidential election, said he would propose a substantial renegotiation of the Treaty of Rome, the foundation of the EEC, if he was elected.

Europe could not be at one and the same time supranational in some institutions and federal in others, he said. The role of the European Commission, which often exceeded its powers, should be limited to an executive and advisory one.

M. Chirac said he would also propose suppression of the European Parliament's and European Court of Justice's "supranational" powers, and giving back "real power" to the European Council composed of the Heads of Government of the member-States.

In an interview with an Alsatian newspaper, President Giscard d'Estaing said that 1981 would be "a year of truth" for the EEC. The main issue would be whether the UK "accepted the rules of the Community."

Joseph hints at continued aid for industry

By John Elliott, Industrial Editor

A STRONG HINT that the Government is prepared to continue providing aid for various sections of industry to help the country move through the recession to become a "prospering social market economy" was issued yesterday by Sir Keith Joseph, Industry Secretary.

In a speech which amounted to a "half-term report," nearly two years after the last election, Sir Keith argued strongly that adjustments made in the Government's industrial policies were "not critical setbacks."

He defended support given to ventures as wide ranging as British Steel, ICL and small businesses. He also acknowledged that "taxpayers' money" was being used as part of the Government's industrial strategy."

The speech, made to a meeting of the Bow Group, was notable for two reasons. It was Sir Keith's first attempt since becoming Industry Secretary to explain the Government's broad industrial policies and to put the events of the past two years in context.

He also acknowledged for the first time that the Government had an "industrial strategy." At the time of the last election he would not accept that industrial policy was a subject for discussion.

Basically the strategy involved bringing about the right climate for curbing inflation and bringing down interest rates.

"We have not changed our diagnosis of our aims. Some unprecedented factors have made the transitional stage more difficult," he said.

Attention should not be diverted from economic progress that was being made by the spending of "large amounts of taxpayers' money on slimming down some nationalised mammoths so that they have the chance to become competitive nor by a temporary guarantee to see a key Government supplier, ICL, over a hump."

There were "not critical setbacks on the road towards an economy living within its means, leaner manned, internationally competitive, and encouraging enterprise and effort."

Sir Keith appeared to sympathise, without naming any specific industries, with nationalised corporations which are asking the Government for larger "potentially profitable" capital investment programmes.

Although it did't contain any new policies, the speech may go some way towards quelling Sir Keith's critics in industry and in the Conservative Party. There have been complaints that there has been a lack of sense of direction in the Industry Department

Editorial Comment, Page 22

THE LEX COLUMN

Equities move into new high ground

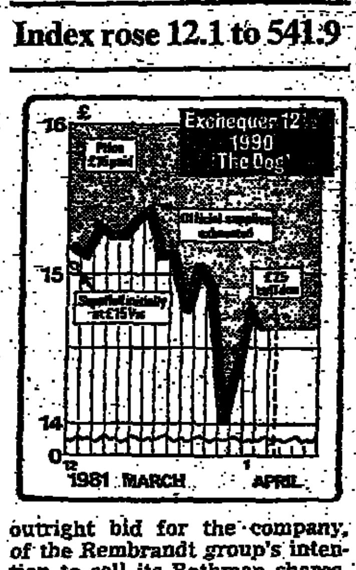
While economists squabble about the shape of the business cycle, the equity market is giving its own very positive view. The All-Share Index moved decisively into new high ground yesterday, on buying which was spread right across the board: capital goods manufacturers for recovery (especially if they have produced remotely respectable figures recently), defensive sectors such as food manufacturing, and the old favourites like oils and financials which are enjoying a second run. Severe shortage of stock is fuelling the rise.

In contrast, the gilt-edged market has had all too much stock thrown at it in the past month. Digestion is taking a long time, particularly with the much-reviled 1990 stock issued just after the Budget, and to a lesser extent with the index-linked 1996 issue.

Joining with a vengeance in the general equity market upsurge, BP's shares jumped by 18p to 390p yesterday. There is nothing to inspire, however, in the group's annual report which illustrates the way that BP is being squeezed at both ends. The highly successful production activities — 513,000 barrels a day from the North Sea in 1980, and 796,000 barrels a day from Alaska — are being more heavily taxed, so that the total tax charge rose from £2.27bn to almost £3bn last year. At the same time downstream, especially in Europe, BP is badly exposed to glutted markets; and because it has no access to cheap Saudi crude like Exxon or Mobil, it reckons its raw material cost is $2½ to $3 a barrel higher than the industry average. Losses in chemicals, pre-interest, topped £100m.

In 1980, group capital spending at £2.17bn was roughly £200m more than net cash flow, and although this gap is more than accounted for by the amount spent on Selection Trust, BP's purse is no longer bottomless. In 1981, at least, it will be able to count on perhaps £400m of cash to be released through a planned rundown in stocks of some 3m tons. But downstream BP is now talking about shedding market share or the need to "identify core trade."

Index rose 12.1 to 541.9



Rothmans/Reynolds

Rothmans shares have been an active market recently, with heavy buying—some from the Continent—taking the price up from 40p to 55p. The air has been thick with rumours—of an outright bid for the company, of the Rembrandt group's intention to sell its Rothman shares, or of some sort of major restructuring.

Last night's statement does not leave anyone very much wiser: Rothmans is in talks with R. J. Reynolds in order to establish a "basis of co-operation," which could in turn lead to the making of "definitive proposals." This could mean almost anything, but it does not look like the preface to a full bid for Rothmans.

One possibility is that Reynolds will buy Rothmans' UK cigarette business, which will have had a hard time in the last year because of heavy discounting and falling consumption. Rothmans has around 13 per cent of the UK cigarette market, a slightly larger share than Reynolds enjoys in its most important European market, Germany. Such a sale would fit in with Rembrandt's desire to diversify away from tobacco.

Rothmans' profits in the current year are likely to be well below the £80½m of 1979-80, and at last night's price of 60p the historic yield is 7½ per cent, compared with 9 per cent for BAT. In the absence of a bid, the shares would look vulnerable.

Ladbroke

Ladbroke's profits for 1980 are down from £49.2m to £32.6m—but excluding the now defunct casino division, the figures are 23 per cent higher at £30.4m. The tax charge has been substantially reduced by capital allowances on property investment and leasing, and a 15 per cent dividend increase is very well covered by current cost earnings.

Just under half the profits from Ladbroke's continuing businesses come from betting and racecourse management, which seems to be quite unaffected by recession and got off to a much better start to the year than in 1979. The property contribution, a mixture of dealing profits and rental income, has jumped sharply to £4.5m. And in the rest of the business, the hotels have held up well, thanks to the fact that less than a sixth of the rooms are in London, while the holiday side had its best year ever.

Ladbroke is expecting growth from these activities to accelerate in 1981, from two sources in particular. The investment in dealing properties went up by some £20m last year, and there are a number of new lettings coming on to the market. Elsewhere the group is currently making a significant investment in amusement machines, which should bring a quick return in the form of rental income. The shares stand at an all-time high of 302p (a fifth above net worth) and the yield is 6½ per cent.

Carpets Intl.

The £6.4m pre-tax loss reported by Carpets International for 1980 did not quite confirm the worst apprehensions of the market. After all, the comparable figure at half-time was already £4.7m. Part of the explanation may be that imports did not flood in quite so fast in the latter part of the year. But that probably shows little more than importers' stocks reaching saturation point. Most of the improvement in Carpets' figures must have been due to the company's own strenuous—if belated—efforts to save costs.

Factory space has been cut by over a quarter, and so has the workforce, while a squeeze on stock levels has enabled Carpets to cut borrowings by around £3m to £20m. All in all the group is looking for annual cost savings of £6m.

At most, a third of this benefit will have come through in 1980. But even with further savings this year, a noticeable improvement in underlying trading will be necessary if Carpets is to get back to break-even. Still, the share price of 19p does not look much beyond immediate survival; it leaves the company capitalised at £4.5m, less than a sixth of book net worth.

Lost—one night's rest and a day's business

By Elinor Goodman

THE GOVERNMENT lost a day's business and a night's sleep yesterday in the longest session in the Commons since the election.

After 25 hours in the Chamber, 23 debates, 15 divisions, 125 amendments and almost as many sedentary interruptions, its British Telecommunications Bill passed through the House intact.

At 2.32 yesterday afternoon, Mr. Kenneth Baker, Minister of State, Department of Industry, who had been sitting on the front bench throughout the night, moved the Bill's third reading.

The Government majority was 101 — hoarsely cheered by its supporters. But by then, it had already lost yesterday's business, for, according to the rules, the new day begins at 2.30 sharp. April Fool's Day was therefore extended into yesterday and, as far as Hansard and all the officials of Parliament are concerned, April 2 never existed.

The small band of Labour back benchers who organised the marathon, in what was a distinctly unofficial piece of opposition to the Bill had, therefore, achieved their objective.

The Government had to reorganise its business and the weekly Cabinet meeting had to be switched from Downing Street to the Prime Minister's room in the Commons where it was squeezed in between votes.

The statement on farm prices had to be postponed, and the Prime Minister—who had led her troops through the lobbies throughout the night in what she apparently saw as a splendid opportunity to boost back bench morale—was relieved of the obligation of answering questions in the House at 3.30.

Outside, 8,000 firemen milled around without anybody to lobby.

MPs trooped through the lobbies without knowing what they were voting for. They competed with each other on who had had the least sleep under the most uncomfortable conditions. Some had dozed off for a few minutes in the Chamber. Others had stretched out in the tearoom. A handful of old hands had put up camp beds in their offices.

The all-night session caused the first loss by the Government of a day's business since last August. It was orchestrated by the same three Labour Left wingers — Mr. Dennis Skinner, Mr. Ian Mikardo, and Mr. Bob Prior—, who helped keep the House up all night then.

This time they refused to go along with a deal, negotiated through the "usual channels" between their own whips and the Government's business managers.

Cable and Wireless investors warned off, Page 14

Poland to start talks with aim of rejoining IMF

BY PETER MONTAGNON AND ANTHONY ROBINSON

POLAND has told Western commercial bankers that it will soon begin discussions aimed at rejoining the International Monetary Fund.

Poland was a founder member of the fund but left in 1950 on Stalin's order. Bankers now believe that the Soviet Union has dropped its reservations about Polish membership, although rejoining implies the establishment of institutional links with the capitalist economic system.

Membership of the Washington-based body would give Poland a new source of hard currency borrowings and provide a better framework for Western monitoring of the country's foreign debt and economic policy.

For this reason, the news has been given a cautious welcome in the banking community, although some bankers are still uncertain about the seriousness of Poland's intentions.

It is understood in Washington that no approaches have yet been made to the IMF. If Poland were to request membership, an IMF staff mission would have to visit Warsaw, examine the Polish economy in considerable detail and propose a suitable quota (percentage stake) for it in the Fund.

The quota would then have to be ratified by a substantial majority of the IMF's existing 141 members. Only after that would Poland become a member and be eligible for IMF credits.

This would take a considerable time, although some officials indicated yesterday that the IMF membership may be called to vote on a Polish application at or before the annual meeting in October.

Knowledge that the discussions are expected to begin is one factor encouraging commercial banks to move faster with Poland's request to reschedule $3.1bn (£1.4bn) of its commercial bank debt falling due this year.

A delegation from the banks is to meet Polish Government officials in London between April 8 and 15. It is understood that the groups will try to reach quick agreement on a formula designed to stave off a Polish default until a permanent rescheduling arrangement takes effect.

Polish membership could pose delicate problems for the IMF. It is used to dealing with State-run economies, having lent money in support of economic stabilisation programmes to such members as Yugoslavia, Romania and China.

In such cases, the fund tries to adapt its theories of economic management to conform with the limits set by the political system of the member country.

But it has not to date been involved with a country of such political importance to the development of East-West relations.

Economic stabilisation programmes agreed between the IMF and its member countries frequently involve implementing tough economic policies requiring considerable sacrifices on the part of the population in the borrowing country.

Mere membership of the IMF would not entail Poland's having to adopt an IMF-endorsed economic programme. This would only happen if it were to request a credit once it had joined the organisation.

The concrete policies involved in such a programme might be easier for the government in Warsaw to sell to the population if they could be presented as having been imposed from outside for the sake of financial survival.

Pravda hits out, Page 3

Continued from Page 1

Rothmans and Reynolds in talks

complete after which formal proposals, possibly embodying a transfer-of-interests or an exchange of brands in various countries, could be made.

Quentin Peel writes from Johannesburg: In recent years Rembrandt, which has always been obsessively secretive about its financial affairs, has diversified increasingly out of its traditional investment field of tobacco and liquor. Investments have been made in mining, chemicals, banking, isurance and energy.

Its 1980 annual report shows that more than half the capital of the group was employed in the tobacco and liquor industries, which provided 72 per cent of net income. However, income from liquor and tobacco rose only 8 per cent compared with the increase of 127 per cent in income from other interests.

Rembrandt still refuses to list its associates and subsidiary companies.

Dr. Rupert, who was said last night to be away from home on a long week-end excursion, has recently been a prime mover behind efforts to promote small businesses

More Government stock sold

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

FURTHER GOVERNMENT stock was sold yesterday following recent heavy sales. The gilt-edged market has shrugged off the Civil Service dispute which has so far had only a limited impact on financial flows in the City.

The Government Broker yesterday sold a limited amount of the short-dated tap stock—11½ per cent Treasury 1985—at £15¼ per cent in its partly-paid form.

Prices of existing stocks remained firm, continuing the recent trend. Gilts have not, however, shared the buoyancy of equities, partly because of the large sales of stock.

The market is looking for a further cut in Minimum Lending Rate from 12 per cent within the next couple of months. This is based on hopes of a favourable money supply trend and a belief that the Civil Service dispute will have no significant effects.

The Treasury yesterday officially estimated that, to the end of March, between 75 and 80 per cent of the expected level of tax receipts had come in to the Inland Revenue and the Customs and Excise.

However, some of the more easily collectable large payments may have come in during the last fortnight.

Mr. Leon Brittan, Chief Secretary to the Treasury, estimated on Monday that central Government borrowing had been boosted by between £500m and £750m by the dispute.

The impact on the City has so far been limited. The size of the daily surpluses and deficits in the money market has been well within the normal range. This is partly because the dispute has come at a time when there are seasonally large tax flows into the Exchequer.

In addition, as long as the dispute ends within the next few weeks the result may be a smoothing of the usual fluctuations in the financial position of the Government between a surplus to the end of March and a deficit from April onwards.

The markets believe that any small boost to the money supply from the dispute will be more than offset by favourable factors, especially in view of the heavy gilt sales. In addition, the private sector demand for credit appears to be easing.

Consequently, City analysts are expecting the mid-March money supply figures, due on Tuesday, to be favourable. Little change is forecast in sterling M3, the broadly defined money supply, though the predicted range is from plus ½ per cent to minus 1½ per cent last month.

The continuation of the Civil Service dispute may, however, prevent an immediate change in MLR.

Civil servants' walkout, Page 13

Weather

UK TODAY

Cloudy, bright intervals later in E, dry and bright in W.

London, S.E., E. England, East Anglia, Midlands
Cloudy but dry, bright intervals later. Max. 13C (55F).

E., N.W., N., N.E. England, Borders, Edinburgh and Dundee areas, Aberdeen
Fog clearing with some bright intervals. Max. 13C (55F).

S.W. England, Wales, elsewhere
Dry and bright. Fog patches at first. Max. 15C (59F).

Outlook: Mostly dry, sunny intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	15	59	L. Ang.†	F	11	52
Algiers	F	21	70	Luxmbg.	C	11	52
Amsdm.	F	16	61	Luxor	[illegible]		
Athens	F	16	61	Madrid	R	9	48
Bahrain	S	20	68	Majorca	F	17	63
Barcelona	S	18	64	Malaga	R	14	57
Beirut	S	19	66	Malta	S	21	70
Belfast	C	11	52	M'chstr.	C	11	52
Belgrd.	F	16	61	Melbne.	S	30	86
Berlin	S	16	61	Mx. C.†	S	29	84
Biarritz	F	14	57	Miami†	F	22	72
Bmghm.	F	11	52	Milan	C	18	64
Blackpl.	C	9	48	Montrl.†	F	7	45
Bordeaux	C	15	59	Moscow	S	9	48
Boulgn.	C	9	48	Munich	F	12	54
Bristol	C	11	52	Nairobi			
Brussels	C	14	57	Naples	C	16	61
Budpst.	S	18	64	Nassau	[illegible]		
Cairo	S	25	77	Nwcstl.	C	10	50
Cardiff	F	11	52	N. York†	F	11	52
Cas'b'ca	C	16	61	Nice	F	16	61
Cape T.				Nicosia	S	17	63
Chicg.†	F	8	46	Oporto	C	12	54
Cologne	S	15	59	Oslo	F	5	41
Conhgn.	S	16	61	Paris	F	11	52
Corfu	S	18	64	Perth	F	23	73
Denver†	F	9	48	Prague	S	18	64
Dublin	C	11	52	Reykjvk.	C	5	41
Dbrvnk.	C	15	59	Rhodes	F	20	68
Ednbgh.	C	11	52	Rio Jn'o†	[illegible]		
Faro	C	14	57	Rome	F	18	64
Florence	F	21	70	Salzbrg.	F	17	63
Frankft.	S	16	61	S Frisc.†	F	8	46
Funchal	C	17	63	S. Moritz	[illegible]		
Geneva	F	12	54	Singapr.	C	27	81
Gibraltar	R	13	55	S'bagot	S	25	77
Glasgow	C	11	52	Stckhm.	C	11	52
G'rnsey	C	11	52	Strasbg.	C	13	55
Helsinki	C	7	45	Sydney	F	24	75
H. Kong	F	26	79	Tangier	R	14	57
Innsbrk.	S	19	66	Tel Aviv	S	16	64
Invrnss.	C	11	52	Tenerife	C	14	57
I.o.Man	C	8	46	Tokyo	C	10	50
Istanbul	F	11	52	T'ronto†	F	3	37
Jersey	C	12	54	Tunis	F	20	68
Jo'burg	S	23	72	Valencia	C	20	68
L. Plms.	C	22	72	Venice	S	16	61
Lisbon	C	13	55	Vienna	S	18	64
Locarno	S	18	64	Warsaw	S	10	50
London	C	11	52	Zurich	S	15	59

C—Cloudy. F—Fair. R—Rain. S—Sunny. † Noon GMT temperatures.

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